# Conservation Districts of Manitoba

# Districts de conservation du Manitoba

## Annual Report 2003-2004

## Rapport annuel 2003-2004

Manitoba

104-07779/

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## Rapport annuel 2003-2004

Manitoba

MINISTER OF WATER STEWARDSHIP

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

August 27, 2004

The Honourable John Harvard
Lieutenant-Governor of Manitoba
Government House
200 Kennedy Street
Winnipeg MB R3C 1S4

Your Honour:

It is my pleasure to present to you The Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2004 together with the audited financial statements of the Districts for the same period.

Yours sincerely,

Steve Ashton
Minister of Water Stewardship

CONSERVATION DISTRICTS COMMISSION
Room 314, Legislative Building, 450 Broadway Avenue, Winnipeg, MB. R3C 0V8

August 27, 2004

The Honourable Steve Ashton
Minister of Water Stewardship
Room 314, Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to present to you the Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2004.

It describes various programs in support of our economic and environmental resources, and demonstrates the continuing provincial commitment to the concept of sustainability.

Yours sincerely,

Norm Brandson
Chairman

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# Conservation Districts Program

**The Manitoba Water Services Board**

| | |
|---|---|
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Manitoba Water Stewardship

**Don Potter**
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Manitoba Intergovernmental Affairs and Trade

**Andrew Horosko**
Deputy Minister
Manitoba Transportation

**Barry Todd**
Deputy Minister
Manitoba Agriculture, Food and Rural Initiatives

**Robert Rodgers**
Chairperson
Manitoba Conservation Districts Association

**Albert Nabe**
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# Conservation Districts Program

## Foreword

The Conservation Districts Program operates under the authority of *The Conservation Districts Act*. The objectives of the Act are to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts and to protect the correlative rights of owners.

The Act provides for the creation of Conservation Districts (CDs) and requires the establishment of a Commission to oversee the activities of the Conservation Districts Boards. The Commission, in turn, reports to the Minister of Water Stewardship. The legislation also requires the preparation of an Annual Report, which will include: updates on the progress being made by each District in the implementation of their management plans; general remarks in respect to activities related to the establishment of new Districts; and the Auditor's Report for each District. The Manitoba Water Services Board is responsible for the day to day management of the Program.

The Province provides annual funding to assist local Conservation Districts Boards. The provincial grants cover up to 75% of the cost of District Programs. In addition, the Districts receive funding through municipal grants and levies and from local landowners. Other sources of funds come from agencies such as Ducks Unlimited Canada and Prairie Farm Rehabilitation Administration (PFRA), as well as grants from many other Governmental and non governmental agencies. Provincial funding (grants) for the CDs is provided by the Manitoba Water Stewardship. Other Provincial Departments, such as Conservation, Agriculture and Food, Heritage and Tourism also provide grants for specific projects.

Each Conservation District is required to prepare an integrated resource management plan. Through this process, each District is able to establish a long-term vision, set goals and produce a 5-year Program and operating budget.

# Programme des Districts de conservation

## Avant-propos

Le Programme des Districts de conservation existe en vertu de la *Loi sur les Districts de conservation*. La *Loi* a pour objet de prévoir la conservation, le contrôle et l'emploi judicieux des ressources par l'établissement des Districts de conservation, ainsi que de protéger les droits des propriétaires en ces matières.

La *Loi* prévoit la création de Districts de conservation et exige la mise sur pied d'une Commission chargée de superviser les activités des conseils des Districts de conservation. Cette Commission doit à son tour rendre des comptes au ministre de la Gestion des ressources hydriques. La *Loi* exige également la préparation d'un rapport annuel comprenant les éléments suivants : mises à jour concernant la mise en œuvre des plans de gestion dans chaque District; remarques générales sur les activités liées à la mise sur pied de nouveaux Districts; rapport du vérificateur provincial pour chaque District. La Commission des services d'approvisionnement en eau du Manitoba est responsable de la gestion quotidienne du Programme.

Pour aider les conseils des Districts de conservation, le gouvernement provincial accorde chaque année des subventions pouvant atteindre 75 % du coût des Programmes des Districts. Les Districts reçoivent un financement supplémentaire sous forme de subventions municipales et de redevances payées par les propriétaires fonciers de leur région. Les autres sources de financement comprennent les contributions d'organismes coopératifs tels que Canards illimités Canada et l'Administration du rétablissement agricole des prairies (ARAP), ainsi que des subventions accordées par de nombreux autres organismes publics et privés. Le financement provincial (les subventions) accordé aux Districts de conservation est versé par le ministère de la Gestion des ressources hydriques. D'autres ministères provinciaux, comme les ministères de la Conservation, de l'Agriculture et de

## Program Expansions

The program consists of 16 CDs, which includes over 120 municipalities.

During 2003-04, the following CDs received requests to expand their boundaries:

- Pembina Valley from the Town of Morden.
- Seine-Rat River from the City of Steinbach.
- Cooks Creek from the RMs of Brokenhead, St. Clements, East St. Paul and Springfield.
- The watershed boundary between West Souris River and Turtle Mountain was realigned to the watershed boundary. Change to be implemented April 1, 2004.

Also during the year three CDs (Alonsa, Cooks Creek and Whitemud) received additional funding to upgrade bridges and crossings over provincial drains.

l'Alimentation, et de la Culture, du Patrimoine et du Tourisme peuvent aussi verser des subventions pour des projets spéciaux.

Chaque District de conservation est tenu de préparer un plan de gestion des ressources. Cela lui permet d'établir une vision à long terme, de se fixer des objectifs et d'élaborer un Programme et un budget de fonctionnement sur cinq ans.

## Expansion du Programme

Seize districts de conservation, regoupant plus de 120 municipalités, font partie du programme.

En 2003-2004, les districts de conservation suivants ont reçu des demandes d'élargissement de leurs frontières :

- Vallée de la Pembina : demande faite par la municipalité de Morden;
- Rivières Seine et aux Rats : demande faite par la municipalité de Steinbach;
- Ruisseau Cooks : demande faite par les municipaliés rurales de Brokenhead, St. Clements, East St. Paul et Springfield;
- Le tracé du bassin versant entre la rivière Souris Ouest et Turtle Mountain a été modifié. Les changements ont pris effets le 1er avril 2004.

De plus, durant l'exercice 2003-2004, les districts de conservation d'Alonsa, du ruisseau Cooks et de Whitemud ont reçu des fonds additionnels pour permettre la réfection des ponts et des voies de passages au-dessus des canaux de drainage de la province.

## Other Areas of Interest

During the year, a number of meetings were held with groups representing 25 municipalities in the Brokenhead, Interlake, Seine, Morris, Plum, Swan Lake and Whitemouth Watersheds.

As environmental awareness gains momentum and governments, industry and non government organizations begin to promote, encourage and adopt the idea of sustainable development, the Districts will be recognized as leaders in sustainable resource management. Indeed, many resource interest groups now recognize CDs as leaders in integrated watershed based management and see them as ideal organizations through which to implement co-operative resource ventures.

## Autres sujets d'intérêt

Pendant l'année, plusieurs réunions ont eu lieu avec des groupes qui représentaient 25 municipalités où se trouvent les bassins versants de la rivière Brokenhead, d'Entre-les-Lacs, de la rivière Seine, de la rivière Morris, de la rivière aux Prunes et de la rivière Whitemouth.

Étant donné que les préoccupations environnementales ne cessent de gagner du terrain et que les gouvernements, les entreprises et les organismes non gouvernementaux commencent à promouvoir, encourager et adopter l'idée du développement durable, les Districts joueront un rôle de leader dans la gestion durable des ressources. De nombreux groupes d'intérêts dans le secteur des ressources naturelles estiment que les Districts de conservation jouent un rôle de premier plan dans la gestion intégrée des bassins versants et ils les considèrent comme des organismes de choix pour mettre en œuvre des projets coopératifs de gestion des ressources.

# Program Activities

In 2003-04, the CD Program expended $7.0M toward land and water stewardship programming. The program involves over 500 District and Sub-District Members, employing approximately 100 full time and part time employees.

With three levels of funding (Provincial, local and external), the following is a summary of activities and/or accomplishments for the fiscal year 2003-04:

| | 2002-03 | 2003-04 |
|---|---|---|
| • Conservation Tillage | 6,564 ha | 311.62 ha |
| • Crossings Repaired/Replaced | 189 crossings | 123 crossings |
| • Custom Seeding | 28 km | - |
| • Drain License | - | 55 reviews |
| • Drains Maintained | 1,865 km | 2,084 km |
| • Education Program | 105 schools | 93 schools |
| • Equipment Rental | - | 245.65 ha |
| • Fisheries Projects | 20 projects | 28 projects |
| • Forage Seeded | 19,381 ha | 10,673 ha |
| • Forage/Soil Testing | 56 projects | 17 projects |
| • Geographic Information System Service | 6 projects | 407 projects |
| • Grassed Waterways | 15 projects | 41 projects |
| • Gullies Repaired | 8 projects | 16 projects |
| • Livestock Crossings/Access Ramps | 30 projects | 19 projects |
| • Manure Management | 8 projects | 9 projects |
| • Municipal Erosion Control | - | 1 project |
| • Pasture Management Services | - | 17 projects |
| • Pasture Pipelines | 29 km | 111 km |
| • Planned Grazing | 36 projects | 49 projects |
| • Recreation/Tourism | 7 projects | 14 projects |
| • Resource Management Plans | - | 7 projects |
| • Ring Dykes | - | 3 projects |
| • Riparian/Exclusion Fencing | 8 km | 61 km |
| • Shelterbelts | - | 146 km |
| • Stream/Creek Rehabilitation and Stabilization | 22 projects | 18 projects |
| • Sub-Division Applications | - | 20 reviews |
| • Tours/Demonstrations/Extensions | 93 | 108 projects |
| • Trees Planted | 28,525 trees | 101,300 trees |
| • Water Pump Rental | - | 15 projects |
| • Water Retention | 85 projects | 44 projects |
| • Water Testing | - | 102 tests |
| • Watering Systems | 86 units | 82 projects |
| • Watershed Plans | 11 projects | 16 projects |
| • Wells Sealed | 221 wells | 289 wells |
| • Wells/New/Maintained | - | 25 wells |
| • Wildlife/Habitat Projects | 74 projects | 32 projects |
| • Winter Cereals | 1,230 ha | 596.93 ha |

## Activités du Programme

En 2003-04, le Programme des Districts de conservation a consacré 7,0 millions de dollars aux Programmes de gestion des eaux et d'aménagement des terres. Le Programme rassemble plus de 500 membres des Districts et des sous-Districts et emploie une centaine de personnes à temps plein et à temps partiel.

Voici un résumé des activités et réalisations accomplies au cours de l'exercice 2003-04 grâce aux trois niveaux de financement (provincial, local et externe) :

| | 2002-2003 | 2003-2004 |
|---|---|---|
| Travail de conservation du sol | 6 564 ha | 311,62 ha |
| Réparation et remplacement des voies de passage | 189 voies de passage | 123 voies de passage |
| Semis à forfait | 28 km | - |
| Permis de drainage | - | 55 études de dossiers |
| Entretien des canaux de drainage | 1 865 km | 2 084 km |
| Programmes éducatifs | 105 écoles | 93 écoles |
| Location d'équipements | - | 245,65 ha |
| Pisciculture | 20 projets | 28 projets |
| Plantation de graines fourragères | 19 381 ha | 10 673 ha |
| Forages et études de sols | 56 projets | 17 projets |
| Service d'un système d'information géographique | 6 projets | 407 projets |
| Voies d'eau gazonnées | 15 projets | 41 projets |
| Restauration des ravines | 8 projets | 16 projets |
| Voies de passage et rampes d'accès pour le bétail | 30 projets | 19 projets |
| Utilisation du fumier | 8 projets | 9 projets |
| Lutte contre l'érosion au niveau municipal | - | 1 projet |
| Services de gérance de pâturage | - | 17 projets |
| Canalisation dans les pâturages | 29 km | 111 km |
| Planification des pacages | 36 projets | 49 projets |
| Loisirs et tourisme | 7 projets | 14 projets |
| Installations de gestion des ressources | - | 7 projets |
| Filons annulaires | - | 3 projets |
| Clôturage des rives et des zones d'exclusion | 8 km | 61 km |
| Brise-vents | - | 146 km |
| Réhabilitation et stabilisation des ruisseaux | 22 projets | 18 projets |
| Demandes de sous-division | - | 20 études de dossiers |
| Tournées, expositions et activités de vulgarisation | 93 | 108 projets |
| Plantation d'arbres | 28 525 arbres | 101 300 arbres |
| Location de pompes à eau | - | 15 projets |
| Rétention des eaux | 85 projets | 44 projets |
| Analyses de l'eau | - | 102 analyses |
| Systèmes d'arrosage | 86 unités | 82 projets |
| Aménagement hydrographique | 11 projets | 16 projets |
| Imperméabilisation des puits | 221 puits | 289 puits |
| Construction et entretien de puits | - | 25 puits |
| Faune et habitat naturel | 74 projets | 32 projets |
| Cultures céréalières | 1 230 ha | 596,3 ha |

## Conservation District Grants
## *Subventions aux Districts de conservation*

Up to 75% of the costs of Conservation Districts Programs are funded by Provincial grants. The grants are provided in support of local District Programs such as drainage maintenance and rehabilitation, soil conservation, water storage, wildlife habitat, public education, administration and a variety of other resource conservation programs.

Les subventions provinciales couvrent jusqu'à 75 % du coût des Programmes des Districts de conservation. Ces subventions sont versées pour aider les Districts locaux à mettre en œuvre leurs Programmes, notamment le drainage, l'entretien et la réhabilitation, la préservation du sol, l'emmagasinement des eaux, la protection de l'habitat faunique, l'éducation du public et l'administration, ainsi que toute une série de programmes de conservation des ressources.

### CONSERVATION DISTRICT GRANTS 2003-04
### SUBVENTIONS AUX DISTRICTS DE CONSERVATION EN 2003-04

| DISTRICTS/DISTRICTS | PROVINCIAL GRANTS | SUBVENTIONS PROVINCIALES |
|---|---|---|
| Alonsa/Alonsa | $300,000 | 300 000 $ |
| Cooks Creek/Ruisseau Cooks | 335,000 | 335 000 $ |
| Intermountain/Intermountain | 200,000 | 200 000 $ |
| Kelsey/Kelsey | 130,000 | 130 000 $ |
| La Salle Redboine/ La Salle Redboine | 200,000 | 200 000 $ |
| Lake of the Prairies/Lac des Prairies | 80,000 | 80 000 $ |
| Little Saskatchewan River/ Rivière Little Saskatchewan | 120,000 | 120 000 $ |
| Mid Assiniboine River/ Partie médiane de la rivière Assiniboine | 90,000 | 90 000 $ |
| Pembina Valley/Vallée de la Pembina | 298,000 | 298 000 $ |
| Seine-Rat River//Rivières Seine et aux Rats | 92,000 | 92 000 $ |
| Tiger Hills/Tiger Hills | 100,000 | 100 000 $ |
| Turtle Mountain/Turtle Mountain | 300,000 | 300 000 $ |
| Turtle River/Rivière Turtle | 400,000 | 400 000 $ |
| Upper Assiniboine/Partie supérieure de la rivière Assiniboine | 250,000 | 250 000 $ |
| West Souris River/Ouest de la rivière Souris | 200,000 | 200 000 $ |
| Whitemud/Rivière Whitemud | 880,000 | 880 000 $ |
| TOTAL | $3,975,000 | 3 975 000 $ |

NOTE: - Please refer to the Audited Financial Statements in the appendices for details on local/external funding and total expenditures.

NOTA : Veuillez consulter les états financiers vérifiés en annexe pour des détails sur le financement local et externe et sur les dépenses totales.

# Alonsa Conservation District

## Introduction

The Alonsa Conservation District (ACD) is located along the western shores of Lake Manitoba, encompasses approximately 445,000 ha and lies within the Rural Municipalities of Alonsa and Lawrence. The District has been involved in Soil and Water Management Programs since its inception in 1978.

The landscape is a series of gentle undulations of ridges and sloughs, and includes, the major watersheds of Garrioch Creek, Sucker Creek, Hamlin Drain and Reedy Creek, in addition to several other waterways which drain into Lake Manitoba, Ebb & Flow Lake and Lonely Lake. Programs include water and soil management, as well as fisheries, wildlife, forestry, historical, educational and recreational projects.

### ALONSA CONSERVATION DISTRICT
### BOARD MEMBERS 2003-04

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #107 - Crane River/Hamlin Drain | Fred Taylor | Rorketon |
| #110 - Garrioch Creek | Danny North | Alonsa |
| #113 - Lonely Lake/Ebb & Flow | Eldon Campbell | Kinosota |
| #157 - Weiden Drain | Steve Sliworsky | Rorketon |
| #160 - Kinosota Ridge | Clifford Elke | Amaranth |
| Provincial Appointee and Chairperson | Edward Zdan | Alonsa |

## Summary

The District's programs included channel maintenance, crossing repair and replacement, pickerel spawning, forage seed (under the Soils Conservation Program), forestry and wildlife, tree planting, sustainable development initiatives, educational extension, development of Aboriginal historic sites, maintenance of existing trails and projects, as well as educational activities. These programs reflect the Board's commitment to carry out its mandate of conserving, sustaining and preserving the diverse resources, which makes the area unique, while keeping the local economy strong.

Funding support for the ACD is supplied by its main partner Manitoba Water Stewardship. Additional support is obtained from Member Municipalities, a host of provincial and external partners and local producers, all with a common interest in sustaining the local environment.

## TOTAL EXPENDITURE 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $71,841 |
| Crossing Repair | | 25,373 |
| Soil/Forestry | | 102,691 |
| Wildlife/Fisheries | | 46,909 |
| Recreation | | 2,670 |
| Public Education | | 48,085 |
| Project Management | | 61,403 |
| Alex Robertson Museum | | 7,864 |
| Infrastructure Reserve Fund | | 13,333 |
| Special Infrastructure Project | | 81,695 |
| | TOTAL | $461,864 |

For further details see Auditor's Report, Appendix A.

## Water Management

The Water Management Program focused on the repair of existing drains, beaver damage control and several drain channel cleanouts, as well as well capping and water retention projects. Delays in Water Rights Licensing continue to be a major factor for the progress of work on a number of projects. Activities included:

- Geographical Information System (GIS) drain information documentation
  - New and additional information
  - Mapping supplies
- Drain maintenance
  - Cleanout - 35 km
  - South Leifur Drain/Harcus Drain Junction - curve installation
  - South Leifur Drain - berm upgrade
  - Werbiski, Duggan and Zamrykut Projects
- Vegetation control - 15 km
- Beaver dam/debris removal - 10 sites
- Equipment repair
- Mine Drain Correction Project
- Tour re: program, projects, planning and development
- Water Management Plan
- Sealing and capping of wells – five projects

## Crossing Repair and Replacement

The regular repair and replacement of a number of aging crossings accounted for the expenditures under this program. A considerable number of pipe crossings were replaced, with much of the work taking place in the northern Sub-Districts.

Costs were allocated to the following:

- Crossing repairs on the Werbiski, Lee, Parsons, Duggan projects and six minor projects

- Projects development and planning
- GIS inventory of crossings completion
- Inventory
- Infrastructure Reserve Fund - $13,333

## Soil/Forestry

Continues to support and promote wise agricultural and forestry practices in an effort to conserve natural resources by initiating two new tree planting sites, planted trees at various other locations and continued to maintain trees at established planting sites. Activities included:

- Establishment of Preston Park near Rorketon
- Tree planting at Rorketon Golf Course
- Maintenance of established tree planting sites
- Spirit Bay Park Forestry Preservation Project
- Leafy Spurge Project
- Forage Incentive Project - 82 producer participants establishing permanent cover on 92.76 ha
- Riparian Projects – 10 km
- Seeding Berms and Water Management Projects
- Woodlot Association and Manitoba Algologist Association Memberships
- Land Management Planning GIS Projects - 15 Producers

## Wildlife/Fisheries

The District continued its role in the Fish Hatchery and Spawning Project, the second largest such project in the Province. Spin-off fisheries projects are now being carried out which will continue for several years.

- Pickerel Spawning Project - 12 million fry distributed in Lake Manitoba
- Initial stages of Westlake Fisheries Inventories Project - $25,000 from Fisheries Enhancement Initiative (FEI) Fund
- Bird Feeders Incentive Program
- Riparian area protection and clean-up, in co-operation with Ebb & Flow First Nations, funded mainly by Fish Futures
- Upgrading pickerel spawning hatchery equipment with FEI

## Recreation

While no monies are directly expended in this category, the maintenance of existing trails and projects such as Bluff Creek Nature Trail, Bluff Creek Church, Jackpine Ridge Wayside Park, Portia Marsh Interpretive Centre, Bacon Ridge Complex, Amaranth Marsh Project, Preston Wayside Park, Spirit Bay Park, McKay Park, Lady Slipper Viewing Site, Ceremonial Site and the Thunderbird Nest are all multi-disciplinary.

## Public Education

Considerable effort is expended to promote the District's attractions through various channels. Tours of the Portia Marsh Interpretive Center are conducted regularly and many casual visitors come to this site. Other well-visited sites include Bacon Ridge Complex, Bluff Creek Nature Trail, Lady Slipper Viewing, Preston Park, Spirit Bay Park and Jackpine Ridge Wayside Park. Of special interest to Aboriginal groups is the Thunderbird Nest Site, Tobacco Rock Site and the Aboriginal petroform called the Medicine Wheel, which lies within the Alonsa Prairie Farm Rehabilitation Administration (PFRA) pasture. Signage at all these sites makes them self-guiding and educational. Perhaps one of the most novel of these projects is the restoration of the Bluff Creek Church, which now forms part of the attraction of the Bluff Creek Nature Trail. Public education activities included:

- Green Team Student Employment Program
- Signage
- Subscriptions and memberships
- Trails maintenance and equipment repair
- On-Site Employment Program
- Tri-District Golf Tournament
- Sponsorship for Conservation Farm Family, Youth Speaker and Graduation awards
- Ducks Unlimited Canada (DUC) "Eco-van" Sponsorship - three schools

## Heritage

The District continued to support the efforts of the Alex Robertson Museum and a total of $7,864 was expended this year for new siding on the extension. This expenditure was covered by monies raised locally or through external grants.

## Special Infrastructure Project

Under the Special Infrastructure Replacement Program, a cement culvert was installed at the junction of Highway #50 and the North Leifur Drain. This major project cost was over $80,000 for work carried out by Big Bertha Boring of Winnipeg.

## Project Management

The District administration costs, consisting of staff salaries and expenses and Board remuneration, have remained constant during the past several years. Vehicle expenses and office expenditures reflect the increased cost of the expanded District.

# Cooks Creek Conservation District

## Introduction

Established in 1979, the Cooks Creek Conservation District (CCCD) lies east of Winnipeg and includes most of the Cooks Creek Watershed which discharges into the Red River and parts of the Carrs Creek and Lower Seine River basins, both of which flow into the Red River Floodway. Topography, soils and vegetation of the watershed are distinguished by an eastern upland area and a central lowland area. The District's proximity to Winnipeg has led to an influx of commuter residents in the rural areas as well as in the communities of Anola, Cooks Creek, Dugald, Hazelridge, Oakbank, Ste. Genevieve and Richer. The 86,200 ha Conservation District includes most of the Rural Municipality (RM) of Springfield and small portions of the Municipalities of Brokenhead, Ste. Anne, Taché and Reynolds.

### COOKS CREEK CONSERVATION DISTRICT
### BOARD MEMBERS 2003-04

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #9 - Lower Seine River | Ron Dubinsky | Dugald |
| #11N - Lower Cooks Creek | Glenn Keilback | Beausejour |
| #11S - Upper Cooks Creek | Harry Harder | Richer |
| #12 - Carrs Creek | Bob Bodnaruk | Oakbank |
| Provincial Appointee | Vacant | |
| Board Chairperson | George Sokal | Dugald |

## Summary

The spring and summer of 2003 was somewhat wet at times and reinforced the importance of maintaining and upgrading the drainage waterways. As a result the District Programs included drain reconstruction, earth cleanouts, culvert crossings, drain mowing, spraying and brushing, well sealing, drainage licensing, water retention, sub-division applications, Public Education and School Programs.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $330,683 |
| Soil Management | | 7,651 |
| Other/Water Quality | | 11,794 |
| Crossings | | 175,767 |
| Public Education | | 61,503 |
| Wildlife and Fisheries Management | | 8,695 |
| Forestry | | 988 |
| Drainage Licensing | | 4,950 |
| Program Management | | 68,569 |
| Assets | | 2,181 |
| | TOTAL | $672,781 |

For further details please see Auditor's Report, Appendix B.

## Water Management

Frequent and excessive summer and fall rains caused wet conditions that made construction difficult and contributed to the significant losses of agricultural crops. This reinforced the importance of ongoing maintenance and upgrading of the drainage waterways. Activities included:

- Drain reconstruction - 1.6 km.
- Earth cleanouts - 10 km.
- Spraying for cattails and brush - 140 km.
- Mowing or brushing - 10 km.
- Green Team Program - hired one summer student.
- Beaver population control, removal of beaver dams and miscellaneous earthworks.
- Meetings with the RMs of Ste. Anne, Reynolds, Brokenhead, Taché, La Broquerie and the Seine-Rat River Conservation District regarding the Salmon Lake Marsh east of Richer.
- The Oakbank Canadian Pacific Railway (CPR) Drain is in the land purchasing stage, having completed purchases from eight out of nine landowners and construction is proposed for the fall of 2004.

## Soil Management

- Redesigned a drain and constructed a grassed runway - 3.1 km.

## Water Quality

- Sealed 17 abandoned wells for a total of 192 wells since 1994.
- Surface water quality samples continue to be taken by Manitoba Conservation's Water Quality Management section at two locations along the Cooks Creek waterway.

## Crossings Repair and Replacement

- The replacement and maintenance of crossings is a significant part of the management of the drainage waterway infrastructure.
- The Crossing Program consisted of the repair or replacement of culverts.
- New crossings consisting of culverts were installed at 16 locations.
- Repaired or replaced numerous crossing culverts, floodgates and culvert ends at through road or dyke crossings.
- Repaired one major ford crossing on Cooks Creek.

## Public Education

- The Water Management Plan is in the final stages.
- Sponsored the Springfield 4-H Public Speaking contest.
- Sold bat boxes and partnered with the local Senior Citizen Home residents to have them constructed and painted.
- The Conservation Farm Family award went to Lloyd Church, who maintains a managed woodlot near Anola.
- Contributed to the Manitoba Conservation District magazine.
- Board, Sub-District Members and staff attended numerous meetings, tours and workshops including the annual Manitoba Conservation Districts Association Conference in Brandon.

## Wildlife and Fisheries Management

- Took possession of 18.21 ha of land near Birdshill Park, which was donated as an EcoGift.
- It will be maintained as a wildlife area.
- Discussions have taken place regarding relocating the District Office to the site.

## Drainage Licensing

- Continues to inspect and arrange stakeholder meetings for Drainage License applications.
- Held discussions regarding the recommendations set out by Manitoba Water Stewardship for the issuing of licenses.

## Forestry Management

- Distributed cherry trees to students at the Richer School.

## External Funding

The District had an excellent year regarding charitable donations, co-operative projects and funding assistance from external agencies

**TOTAL EXTERNAL FUNDING 2003-04**

| Partner/Program | Funding |
|---|---|
| Federal Government Gas Tax Rebate | $116 |
| Prairie Farm Rehabilitation Administration (PFRA) - Sealing wells | 3,100 |
| Provincial Government Special Crossing Fund | 75,000 |
| Green Team | 2,105 |
| RM of Springfield Special Crossing Infrastructure Fund | 30,000 |
| RM of Springfield Oakbank CPR Drain | 115,338 |
| RM of Springfield Hillside Drain | 40,000 |
| Donations - Desk | 350 |
| Landowner - Crossings | 16,899 |
| Landowner - Wildlife Area Revenue | 3,731 |
| Landowner - Bat Boxes | 845 |
| Landowner - Well Sealing | 650 |
| Interest and Investment | 3,898 |
| TOTAL | $292,032 |

## Assets

- Upgraded the existing computers and purchased software.
- A drafting desk was obtained.

## Program Management

- Administration costs include office cleaning, office supplies, utilities and some wages.
- Discussions are ongoing regarding the options of the local RMs forming a CD in the Agassiz region or joining the CCCD.

# Intermountain Conservation District

## Introduction

On July 15, 1997, the Intermountain Conservation District (IMCD) was officially established as Manitoba's ninth Conservation District. Nestled between the Riding Mountain National Park and the Duck Mountain Provincial Forest, the landscape of the District varies from steep forested escarpment to gentle sloping lakeshore agricultural land. Encompassing an area of nearly 7,200 km$^2$, the IMCD takes pride in being the Province's largest Conservation District.

Municipalities participating in the Conservation District include the Rural Municipalities (RMs) of Dauphin, Ethelbert, Gilbert Plains, Grandview, Mossey River and Mountain South, the Villages of Ethelbert and Winnipegosis, the Towns of Gilbert Plains and Grandview and the City of Dauphin.

Concerns as to water management embody much of the area and continue to be the thread that binds the municipalities participating in the CD Program. As such, many programs and initiatives being implemented by the IMCD address the local water-related issues. The diversity of the local landscape, wildlife resources and scenic features within the District also create a variety of challenges and opportunities (recreational, educational and other) that are reflected in its programming and priorities.

**INTERMOUNTAIN CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #47 -Vermillion River | Dwain Davies | Dauphin |
| #48 - Wilson River | Ernie Bayduza | Dauphin |
| #93 - Upper Valley River | Colin White | Grandview |
| #95 - Lower Valley | Wayne Banting | Grandview |
| #102 - Fishing/Fork/Mossey | Buddy Herman | Ethelbert |
| #103 - Garland/Point | Gordon Parsons | Pine River |
| #105 - Pine/Sclater/Duck | Albert Strilkiwski | Ethelbert |
| Provincial Appointee | Syd Puchailo | Gilbert Plains |
| Board Chairperson | Ron Kostyshyn | Ethelbert |

## Summary

Watershed management was a high priority. The completion of the Valley River Watershed Study and Management Plan occurred resulting in the movement towards a long term sustainable approach to maintain the watershed's health and integrity. The Vermillion River Watershed Study and Management Plan moved into the organization and development stage with local grassroots stakeholders and technical advisory committee members within that watershed.

Addressing issues of water management and soil conservation continues to be a priority, although tourism and wildlife habitat enhancement projects allowed the expansion of the program portfolio. New initiatives and ongoing promotional campaigns provided a communications avenue, in terms of increasing public awareness of the variety of opportunities available through the CD Program.

Since formation in 1997, IMCD has been building cooperative partnerships with a variety of conservation agencies and organizations. Demonstration and promotion can be considered some of the most valuable activities undertaken throughout the past year. The completion of its resource management plan and the initiation of watershed management plans have also outlined the direction and programming.

**TOTAL EXPENDITURES 2003-04**

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $121,591 |
| Soil Conservation | | 100,036 |
| Fish and Wildlife | | 2,496 |
| Tourism and Recreation | | 214 |
| Public Education | | 42,702 |
| Assets - Property and Equipment | | 37,791 |
| Program Management | | 42,750 |
| | TOTAL | $347,580 |

For further details see Auditor's Report, Appendix C.

## Water Management

The progression of developing a long term, sustainable approach toward water management programming continued. The participation of watershed residents in planning processes allowed the District to understand local water concerns and implement adaptive watershed management initiatives.

Annually, the area receives large amounts of precipitation, coupled with past land drainage activity resulting in streambank erosion. As part of the water strategy, managing escarpment flows is of foremost importance. Projects aimed at addressing site-specific concerns also continued, with streambank stabilization again being a priority. Four stabilization projects using a combination of traditional rock armoring and bioengineering techniques were completed.

The District partnered with Prairie Farm Rehabilitation Administration (PFRA), Manitoba Agriculture, Food and Rural Initiatives, Duck Mountain Agricultural Management Association (DMAMA) and local landowners to establish four off-site cattle winter watering projects as part of the off-stream options for the Livestock Watering Program. The District currently operates 10 off-stream watering systems that landowners can trial to best fit the system to their operation.

The Abandoned Well Program continues to increase with a total of 17 abandoned wells filled and sealed during the past year. This protects valuable groundwater resources from potential contamination, while protecting the landowner from the liability associated with these otherwise open abandoned wells. Since 1999, 85 abandoned wells have been filled and sealed.

## Soil Conservation

The Grassed Waterway Program initiated and completed the construction of 14 grassed waterways.

The Forage Seed Assistance Program saw nearly 809.4 ha of marginal and erosion-prone land taken out of annual crop production and replaced with permanent forage cover to address issues of soil conservation.

Producers within the District again participated in the Pasture Pipeline Program offered. A total of 2.02 km were installed this year across the District.

Tree planting projects were limited to community based projects with the District providing trees, site plans and technical advice.

## Fish and Wildlife

The protection of riparian areas, the establishment of forages and improvements to water quality, as provided through other programs, all contribute indirectly to the enhancement of fish and wildlife habitat.

With assistance from the Winnipegosis and District Sport Fishing Enhancement Group, volunteers from the Village of Winnipegosis and RM of Mossey River, developed the Mossey River Clean Up Project which was aimed at restoring the river bank area to its natural state by removing all man-made items that have accumulated over the years. This is to become an annual event.

## Tourism and Recreation

Involvement with local interest groups resulted in partnering on various projects to ensure the long term sustainability of area resources.

## Public Education

Promoting conservation to local youth, area landowners and communities continues to be a priority. A number of projects and initiatives were promoted through tours and demonstration days. The first Cattle Winter Watering Demonstration was hosted with nearly 40 producers from across Manitoba in attendance. Three demonstration tours were held showcasing alternative options for local producers.

Sponsored three students from the Ethelbert school to attend and participate in the Manitoba Conservation Districts Association (MCDA) Annual Conference, Youth Conservation Display. This was the third year in a row that youth within the District have won the competition.

An annual field day hosted at the IMCD office offered students hands-on learning activities related to natural resources. Other public promotional and educational activities included school presentations, the annual Tree Hand Out and Awareness Program and hosting the 5th annual banquet.

As part of the communications strategy, submitted articles via print media and newsletters were included with municipal tax notices that are distributed to ratepayers.

## Project Support

Project support expenditures consist of all costs associated with the investigation and delivery of programs on the landscape, including vehicle operating and maintenance, in field staff salaries, remuneration for Board and Sub-District Members and other costs incurred during the implementation of programs and projects.

## Program Management

Program management expenditures consist of all administrative costs associated with ensuring the continued operation of the office, includes salaries and expenses of administrative staff, office supplies and operational expenses, office rental and utilities, legal, accounting and/or service fees.

# Kelsey Conservation District

## Introduction

On January 1, 1999, the Kelsey Conservation District (KCD) was established as Manitoba's 10th Conservation District. The District lies completely within the boundary of the Rural Municipality of Kelsey, including the Pasquia and Carrot River settlements, Rall's Island, Wanless and the Local Urban District of Cranberry Portage. KCD is the only District that is north of the 53rd parallel and Wanless and Cranberry Portage are both north of the 54th parallel. There are no established Sub-Districts and the total area of the District is approximately 900 $km^2$.

The District office is located in the Town of The Pas. The Board of Directors represents approximately 2,750 residents from all regions within the Municipality and meets monthly to discuss the business of the District.

Priorities for the KCD include developing programs that deal with prudent resource management, soil and water conservation practices as a means to maintain a healthy rural landscape. The involvement of youth and the formation of sound partnerships are also important aspects of the District's presence in the community.

**KELSEY CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| Wanless | Dan Davie | Wanless |
| Cranberry Portage | Dave Cupples | Cranberry Portage |
| Pasquia/Carrot River | Larry King | Pasquia |
| Provincial Appointee | Darwin Marshall | The Pas |
| Board Chairperson | Kathy Joyal | Rall's Island |

## Summary

The District continues to focus on developing and delivering programs around sustainable agriculture and riparian area stabilization. Most of the programs that are offered have a direct link to improving and ensuring that water quality will continue to be improved into the future. The Board continues to develop a management plan that will help to guide program and decision making into the future. The two communities that are north of the 54th parallel, Wanless and Cranberry Portage, have very little agriculture and are based mainly on tourism. To this end, programs developed for these areas are directed at tourism and recreation. Working with and developing partnerships with outside agencies continues to be an ongoing priority.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Quality | | $43,745 |
| Soil Conservation | | 12,788 |
| Public Education | | 63,699 |
| Wildlife and Habitat Enhancement | | 10,678 |
| Assets | | 13,775 |
| Recreation | | 30,936 |
| Program Management | | 17,603 |
| | TOTAL | $193,224 |

For further details see Auditor's report, Appendix D.

## Water Quality

- Five alternate watering and exclusion fencing projects were undertaken. The nature of these projects will require that some reach completion status in the next year. Two of these projects will have restricted over 1,300 cattle access to three rivers in the area.
- The pasture plow saw limited use this year, as several livestock producers were reluctant to undertake new initiatives and costs due to bovine spongiform encephalopathy (BSE).
- A Water Monitoring Program is ongoing with Keewatin Community College looking at water quality where it enters and leaves the District.
- In its second year of a Manure Management Program that is dealing with historic manure piles that are located on the shores of two major rivers in the area. One site has been completed with all historic manure removed and the producer composting and spreading all manure produced in a production year without the assistance from the District.
- The Abandoned Well and Well Disinfection Programs continued this year. It is anticipated that the Abandoned Well Program will become more popular in the next year as a rural water pipeline project has been completed, eliminating the need for most wells.

## Soil Conservation

- A Forage Assistance Program offers producers an incentive to seed forages in erosion prone areas. Producers buy their own seed and apply to the District for a cost share. This program had a reduced uptake from past years likely due to less advertising. The Pasquia/Carrot River area saw four landowners seed down 700 ha of erosion and salinity risk areas to forages. The Pasquia/Carrot River and Rall's Island areas are where the majority of forages are produced, with very little in Wanless and Cranberry Portage areas.
- Trees planted increased to over 7,000 trees. This represents 5 km of shelterbelts.
- A Soil Testing Program that helps producers determine what inputs are required to achieve their desired crop yield was initiated to insure that over application of fertilizer is not taking place. Seven producers took advantage of this with a sampling of 17 fields.
- Better conditions during the fall saw an increase in the Heavy Harrow Program initiated in partnership with Flamen Rentals to reduce the amount of conventional tillage and stubble burning in the area.
- In partnership with Manitoba Agriculture, Food and Rural Initiatives, 25 forage samples were taken from six producers. This program reduces the amount of manure produced by livestock during winter feeding by ensuring

that proper feed rations are provided.

## Wildlife and Habitat Enhancement

- The Nest and Bat Box Program continued strongly this year. Private landowners with both small and large acreages that have suitable habitat to warrant the installation of nest boxes qualify. Agreements were signed with the landowner committing them to maintaining the boxes and the habitat where the nest boxes were placed. Keewatin Community College continues to be involved by analyzing the nest remains provided by the participants.
- Three dugouts were stocked with rainbow trout in an effort to help reduce the amount of algae in the water. The results of this pilot project did reduce the amount of algae and increase water quality for livestock. Although it's not planned to continue fish stocking in the future it was determined that this was a successful project and producers will continue with it privately.
- A voluntary creel survey was conducted on four lakes in the Cranberry Portage area in partnership with Manitoba Conservation. The intent was to gather information from fishers to determine population dynamics of fish species and help with future fisheries management. This program had limited success and will not be repeated.
- The District was involved again with a fish study that is looking at fish movements through Rocky Creek, in partnership with Manitoba Conservation, Ducks Unlimited Canada and the Department of Fisheries and Oceans.

## Public Education

- Education and extension are a priority and it is reflected in the programs and commitment that they receive. A regular advertising campaign was ongoing in the local newspaper. Several days were spent in three local schools and in the field discussing the importance of watershed management.
- Hosted the annual Manitoba Conservation Districts Association tour with attendees and dignitaries traveling to The Pas from throughout Manitoba. Investing in both Board and staff professional development will help to ensure that the District continues to develop and to have positive impacts within the watershed.
- The District is in its second year of developing its management plan and is currently in the process of completing its operational plan, being assisted in this process with the help of a private consultant.

## Recreation

- Using external dollars with no District direct dollars a public dock was purchased that will be installed on Rocky Lake in the community of Wanless.
- The District is working to establish an ecological trail that will be located on Grace Lake.

## External Funding

| Program/Partner | Funding |
|---|---|
| Special Conservation Fund | $26,600 |
| Manitoba Conservation Districts Association | 2,000 |
| TOTAL | $28,600 |

## Program Management

Expenditures for administration consisted of office rental, utilities, office supplies and other operating costs associated with delivering programs. For the first time since the District was formed a part time administrator was hired.

# Lake of the Prairies Conservation District

## Introduction

The Lake of the Prairies Conservation District (LPCD) was established as Manitoba's 12th Conservation District on January 1, 2001, by uniting the Rural Municipalities (RMs) of Russell, Shellmouth-Boulton and Silver Creek, the Town of Russell and the Village of Binscarth. The District includes approximately 205,000 ha of rolling topography between the Duck Mountains and Riding Mountains and borders the Province of Saskatchewan. Its principal landscape feature is the Assiniboine River, running along the western border of the District.

The District, serving approximately 4,260 residents and funded primarily by Manitoba Water Stewardship, is divided into four Sub-Districts based on the Assiniboine and Shell Rivers, Thunder Creek and Silver Creek. Twenty-two Sub-District Members act in an advisory capacity to the main Board. Meetings are held on a monthly basis at the District office in Inglis.

**LAKE OF THE PRAIRIES CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #79 - Silver Creek | Clifford Tetzlaff | Binscarth |
| #92A - Assiniboine River | Doug Bily | Russell |
| #92B - Shell River | Stan Herechuk | Inglis |
| #92C - Thunder Creek | Frank Woroneski | Russell |
| Provincial Appointee | Gene Nerbas | Shellmouth |
| Board Chairperson | Ron Turetsky | Shortdale |

## Summary

In its third year of operation, public education has been maintained as a priority to provide effective change in soil and water management practices within the area. In particular, School Education Programs have been significantly successful with local youth and, in effect, adult populations. Through a variety of programs, projects and services, sustainable soil and water conservation efforts are visible on the landscape. Although the District has experienced a number of staff changes over the past year, works have progressed well and new initiatives are continually being evaluated for credibility to expand and evolve the programming repertoire.

## TOTAL EXPENDITURES 2003-04

| Activity | Expenditure |
|---|---|
| Water Management | $20,019 |
| Soil Conservation | 15,138 |
| Fisheries | 5,829 |
| Forestry | 6,737 |
| Public Education | 45,377 |
| Tourism | 1,559 |
| Program Management | 11,620 |
| Other | 1,064 |
| Assets | 11,942 |
| TOTAL | $119,285 |

For further details see Auditor's report, Appendix E.

## FUNDING SOURCES 2003-2004

| Source | Amount |
|---|---|
| Ducks Unlimited Canada (DUC) | $2,352 |
| Prairie Farm Rehabilitation Administration (PFRA) | 5,000 |
| Assiniboine-Birdtail Soil and Water Conservation Group | 1,330 |
| Covering New Ground | 2,500 |
| Fish Futures | 3,000 |
| TOTAL | $14,182 |

# Water Management

- **Abandoned Well Sealing:** In an effort to protect groundwater supplies, four wells were sealed.
- **Alternate Watering and Exclusion Fencing:** Provided two producers with assistance to create alternate watering systems for livestock and exclusion fence water bodies.
- **Riparian Repair:** Assisted with repairs in a riparian area near a crossing on Thunder Creek. The program will be showcased at this site and once criteria is finalized, will be open for applications in the next fiscal year.
- **Off-site Watering System:** Eight producers trialed this portable, solar powered long range system, providing producers with the option to test the benefits of such a system without incurring commitment or cost. As a result, five of the eight producers are considering investing in similar systems to remove livestock from watering at less desirable sources.
- **Pasture Pipeline:** Six producers accessed the pasture pipeline trencher this year, with almost 10 km of pipe being trenched.
- **Riparian Club and Stewardship:** Two successful meetings for the club were held with guest speakers addressing the issues of crises in the cattle industry and riparian management. An executive was chosen and plans made for the functions of the club in the upcoming year. Through demonstration projects, funding initiatives and research projects, members will evaluate different grazing opportunities, weigh alternate watering options and assess riparian

health of water systems on their property.

## Soil Conservation

- **Forage Reimbursement:** One hundred ha of cultivated land was sown to forage.
- **Salinity Barriers:** With the aim of reducing saline seep, 28 ha of land was stabilized with seed. A demonstration site was also secured in a high profile area.
- **Winter Wheat Incentive:** Targeting first time growers, 65 ha were subsidized providing producers with an incentive to trial producing a winter wheat crop.
- **Clover Cover:** Sixty ha of conventionally tilled land was converted to clover cover.
- **Grassed Waterways:** One grassed waterway was created this year. This location will be used to promote the program which will be open for applications in the next fiscal year.

## Fisheries

- **Inglis Beach Weir Enhancement Project:** Working with a consultant and a variety of stakeholders, plans to address the issue of obstruction to fish passage posed by the weir. The project will also contribute to the maintenance and improvement of a local community recreation area and promote conservation education and the awareness of species at risk. The project has been re-assessed to meet the needs of all groups involved.

## Wildlife

- **Wildlife Habitat Creation**: Nine bat houses were constructed by the Industrial Arts students at Major Pratt School and erected in various locations.

## Forestry

- **Adopt-A-Tree for Soil Conservation:** Eighty Grade 3 students were provided with green ash seedlings.
- **Shelterbelt Planning Service**: Two clients planted 300 trees and mulched for soil stabilization, shelter and habitat.
- **Prairie Xeriscape**: This pilot project surrounding the District office focused on water and soil conservation, reduced pesticide use, appropriate plant selection, efficient irrigation and mulching using recycled organic material. The project also provides shelter, fruit trees, an educational component and aesthetics to the area. Mulch application this year completed the project.
- **Community Forest Model**: A multi-faceted conservation initiative with a variety of stakeholders, the Community Forest is an exercise in sustainable forest use on a local level involving wildlife, agriculture, tourism and recreation. This year, a feasibility study was conducted on this project proposal with further research to be conducted next year.

## Tourism and Recreation

- **Bear Creek Model Watershed and Interpretive Trail:** This popular trail is being enhanced with interpretive trail signage and used as a watershed model for school groups and the public alike.

## Public Education

- **Communications and Extension:** Events hosted included a Pasture Pipeline Demonstration Day, Riparian/Grazing Club Meeting, Conservation Poster Competitions and Informational Meetings regarding expansion. District staff took part in a number of activities, such as the annual Manitoba Agriculture, Food and Rural Initiatives Field Day, National Fly Fishing Competition and Conservation Symposium, Riparian Training Day, local Beef and Forage Seminar and Managing the Water's Edge Presentation.
- **Media Relations:** Promoted its programs, projects, services and mandate through a variety of sources including seasonal newsletters, newspaper articles and advertisements and presence at local events.
- **School Education:** Work with schools and youth through four mediums:
  - Conservation Roadshow: Is a menu of conservation activities by grade level, paralleling the Manitoba School education curriculum. Six such school presentations were made this year. Sixty students also experienced hands-on ecological activities in the natural setting of the Wetlands Classroom at the Inglis Beach.
  - Other Educational Programming: Promoted Ducks Unlimited Canada "On the Go" Program, National Wildlife Week and Waste Reduction Week, Earth Day and Canadian Environment Week and assisted with interpretive tours at the Skinner Arboretum.
  - Environmental Education Lending Library: A variety of books, information and educational resources were made available to members of the District, teachers and schools to enhance knowledge of local and regional environmental issues and have been well used.
  - Hands-on Activities: Includes students in studies and projects being conducted at every opportunity, mini watershed studies, water quality monitoring, soil and water sampling.
- **Management Planning:** To address the flooding issues along Thunder Creek that affect producers and municipal infrastructure alike, the idea of a management plan for Thunder Creek was conceived. Also initiated is a management plan for the District.
- **Expansion Planning:** Numerous expansion meetings were conducted with prospective members.
- **Inter-provincial Watershed Management:** Facilitated its first meeting regarding a tributary draining from Saskatchewan into Manitoba. Drainage issues between local landowners and municipalities were discussed with provincial water management personnel present.

## Assets

Assets include a truck, trailer, pasture pipeline trencher and Off-Site Watering System.

## Other

**Mapping Service Requests:** Forty-seven service requests were completed this year ranging from basic aerial photos to enhancements and acreage counts, rotational grazing designs and locations utilizing the global positioning system.

## Program Management

Administrative expenditures include office rent, utilities, staff salaries and expenses along with additional purchases of office furniture, equipment and start-up supplies and remuneration for Board Members. Some excess funds were expended in the fall for the transition amongst administrators.

# La Salle Redboine Conservation District

## Introduction

The La Salle Redboine Conservation District (LSRBCD) was established in January 2002 as Manitoba's 16th Conservation District. The District encompasses 7,000 km$^2$ of central Manitoba, extending from Spruce Woods Provincial Park in the west to the Fort Whyte Center in the east. North to south, the boundaries extend from Delta Marsh on Lake Manitoba to a few km south of Carman.

The District features a diverse landscape characterized by rolling sand hills, glacial till deposits and the Manitoba Escarpment in the west to Red River flood plain clay deposits in the east. This variety has encouraged the LSRBCD to promote a variety of conservation programs for all of the Districts 37,000 residents.

It includes the Rural Municipalities (RMs) of Cartier, Dufferin, Grey, Macdonald, South Norfolk and Victoria, portions of Portage la Prairie and Ritchot, the Village of St. Claude, the City of Portage la Prairie, Towns of Carman and Treherne. The boundaries are further broken down into eight Sub-Districts with local representation governing each Sub-District Board. In total, LSRBCD has 45 Board Members, who give direction to the main Board of Directors, listed below.

**LA SALLE REDBOINE CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #18 - Boyne/Norquay | Roy Wood | Carman |
| #21 - Central La Salle | Leonard Arnal | Fannystelle |
| #22- Lower La Salle | Rodney Burns | Starbuck |
| #24 - Upper La Salle | Claude Menard | Elie |
| #71 - Cypress River | Raymond Huggart | Treherne |
| #100 - Long Lake | Terry Martin | Portage la Prairie |
| #100A - Assiniboine | Marshall Piper | Elie |
| #101 - Delta | Toby Trimble | Portage la Prairie |
| Chairperson | Doug Dobrowolski | Domain |

## Summary

In its first year of programming offered 12 Soil and Water Management Programs to District residents, completing 60 projects and receiving 78 applications from interested landowners.

In the Water Management Program, mowed 325 km of provincial drains, completed five off-shore watering systems, installed 10 km of pasture pipeline, sealed 32 abandoned wells, completed one streambank rehabilitation project, constructed one feedlot runoff wetland and finished one riparian fencing project.

Soil Management Programs included construction of one grassed runway, two gully restorations, five rotational grazing systems, six permanent cover projects and completion of one municipal erosion and sediment control project.

Urban Watershed Management Initiatives included supporting local organizations for community tree plantings and development of interpretive trail systems.

Public Education Programs were also a high priority with nine schools sponsored for the Oak Hammock Marsh "On the Go" Program. Also promoted well water testing, a tree planting day with a local elementary school and hosted a Pasture Management Workshop.

### TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $71,913 |
| Soil Management | | 6,870 |
| Public Education | | 13,103 |
| Program Management | | 160,627 |
| Amortization | | 18,193 |
| Assets | | 78,572 |
| | TOTAL | $349,278 |

For further details see Auditor's report, Appendix F.

## Integrated Watershed Management

Several planning meetings where organized to create a 20-year action plan and mandate. Terms of Reference have also been drafted for the completion of the first watershed management plan. It is intended that this first plan will act as a pilot project for the completion of watershed plans for all of the 12 watersheds. Paramount in this exercise is stakeholder involvement to ensure local support for the watershed plan. Members are also involved with the Stakeholders Round Table for the Stephenfield Watershed Management Plan.

## Water Management

In lieu of having completed watershed management plans, the following Water Management Programs that best suit the landscape requirements have been implemented: pasture pipeline plow, riparian fencing, off-shore watering systems, abandoned well sealing and back flood irrigation systems. The CD also conducted a pilot drainage system mowing project and completed a constructed wetland to remove nutrients from feedlot runoff.

## Soil Management

Characterized by diverse soil varieties, each soil type requires different management and protection. Seven programs were developed and offered to area producers to assist in meeting soil management plan objectives. These included bufferstrips, rotational grazing systems, streambank rehabilitation, shelterbelts, grassed runways, permanent cover plantings and gully erosion repair. In partnership with the RM of Portage la Prairie completed a sediment and erosion control project.

## Public Education and Urban Watershed Management

Several public education and extension initiatives were supported. Projects include supporting producer workshops and seminars, assisting community groups with tree plantings and interpretive trails, sponsoring Oak Hammock Marsh "On the Go" Program and organizing a well water testing day. Also completed a webpage and published several newspaper articles regarding activities and best management practices. The Timmerman Family of Treherne was recognized as the Conservation Farm Family of the Year.

## Assets

Sub-divided a lot and purchased a building to house program delivery equipment.

# Little Saskatchewan River Conservation District

## Introduction

The Little Saskatchewan River Conservation District (LSRCD) covers 312,700 ha of land and is situated south of Riding Mountain National Park, extending as far south as the Assiniboine River. The District exhibits pothole marshes, undulating lands and the melt water channels of the Oak and Little Saskatchewan Rivers.

Formed in 1999 as the 11th CD in Manitoba, originally the LSRCD was comprised of all or parts of seven municipalities, the Rural Municipalities (RMs) of Blanshard, Daly, Harrison, Saskatchewan and parts of Clanwilliam, Minto and Odanah. It also includes the Towns of Minnedosa, Rapid City and Rivers. Its population consists of 8,602 residents

The LSRCD is comprised of three watersheds or Sub-Districts with a total of 26 Sub-District Members who serve in an advisory capacity to the main Board.

**LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #72 - Upper Oak River | Rodger Mawer | Alexander |
| #72 - Upper Oak River | Gordon Paddock | Oak River |
| #81 - Central Little Saskatchewan | John Whitaker | Erickson |
| #81 - Central Little Saskatchewan | Ron Carr | Minnedosa |
| #82 - Lower Little Saskatchewan | Ed MacKay | Rivers |
| #82 - Lower Little Saskatchewan | Evan Smith | Rapid City |
| Board Chairperson | Roy Greer | Rivers |

## Summary

The mandate is to achieve a healthy landscape through the delivery of sustainable soil and water conservation programming, continuing its traditional programs while initiating new conservation strategies. Highlights of the programming included developing the first proposal in Manitoba to run a three-year pilot project for the Alternative Land Use Strategy (ALUS) within the RM of Blanshard, continuing the development of the Broughton's Creek Integrated Watershed Management Plan "Options and Alternatives" and playing a role in developing a proposal that would divert effluent from the Town of Minnedosa to be partially utilized by the Minnedosa Golf Course.

In May 2003, the RMs of Park and Strathclair and the Town of Erickson made formal requests to join. Once these areas are accepted by an Order in Council, expansion of the LSRCD will be complete.

As with every year, the success and program achievements are largely due to support from its Provincial partner, Manitoba Water Stewardship and many cooperating agencies. Also, the support received from all levels of government should be noted. Lastly, the communication and support from the local landowner is paramount to the ability to deliver a sound and sustainable resource program on the landscape.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $120,188 |
| Soils Management | | 74,526 |
| Wildlife/Fisheries | | 11,547 |
| Public Education | | 67,369 |
| Forestry | | 12,204 |
| Program Management | | 22,113 |
| Assets | | 18,479 |
| | TOTAL | $326,426 |

For further details see Auditor's Report, Appendix G.

## Water Management

The focus of the Water Management Program is to deliver sustainable working programs that address the regional needs and issues of the watersheds.

Board Initiatives:

- Revised the Sub-District or watershed boundaries due to anticipated expansion in consultation with local councils and government officials. The number of Sub-Districts will change from three to six.
- Carried out a coordinated spring and fall well testing day to help residents understand the importance of source protection for their water quality - 93 people participated by providing their water quality samples for analysis.
- Provided recommendations in several provincial and federal efforts toward more sustainable land and water management priorities. These included "Managing Water's Edge" and the Department of Fisheries and Oceans' '"Drain Classification Scheme for Manitoba".
- Acquired funding through partnerships to develop a stronger Geographic Information System (GIS) service that could be provided to the Member Councils and greater community for planning and development. This included a joint effort with the West Souris River Conservation District for a plotter and training for public officials and a handheld Global Positioning System (GPS) unit for detecting possible fisheries obstructions within natural waterways.

Sub-District Initiatives:

**#72 Upper Oak River**

- Installed two winter water systems.
- Constructed one headwater dam and assessed three others.
- Sealed five wells, six recorded and identified in the risk assessment inventory.
- Placed 2,134 m of pipeline into the ground – two producers.

**#81 Central Little Saskatchewan River**

- Installed one winter water system.
- Constructed one grassed runway and assessed four other headwater storage projects.
- Sealed four wells, six recorded and identified in the risk assessment inventory.
- Initiated two riparian fencing projects along Minnedosa Lake.
- Developed a proposal for Minnedosa Golf Course to utilize effluent from Minnedosa Lagoon.
- Added erosion control measures to flood control pipe at Minnedosa.
- Placed 366 m of pipeline through the area - one producer.

**#82 Lower Little Saskatchewan River**

- Continued to work with Ducks Unlimited Canada (DUC) to complete the final phases of an integrated watershed plan for the Broughton's Creek Watershed.
- Conducted water quality testing along the Broughton's Creek Watershed.
- Continued on a watershed management plan of the Sandy Lake Watershed that included an On-site Sewage Management Systems Survey.
- Constructed three headwater storage projects and assessed six other sites.
- Sealed 19 wells, 14 recorded and identified in the risk assessment inventory.
- Initiated one riparian fencing project along Lake Wahtopanah.
- Placed over 5,000 m of pipeline into the area – approximately seven producers.

## Soil Management

The Soil Management Program was established to address a number of issues that include erosion and vulnerability. Activities included:

- Developed a proposal, in conjunction with Delta Waterfowl Federation and Keystone Agricultural Producers, for a three-year pilot project within the RM of Blanshard for the delivery of the ALUS Model.
- Secured over 500 ha of land to permanent cover with the no-till drill.
- Partnered with the Leafy Spurge Stakeholder Committee to identify leafy spurge within the RM of Daly.
- Began the process of evaluating programs.
- Delivered Forage Seed Assistance Program primarily in headwaters of Oak River and Little Saskatchewan River Watershed to 40 applicants - over $30,000 in payments to producers.
- Established over 146 ha of saline seed through a partnership with DUC.
- Assisted with planting three km of shelterbelts - six producers.
- Helped three producers with developing their shelterbelt plans for upcoming year.
- Provided the Rotational Grazing Program to five individuals.
- Completed GIS inventory of forage seed applicants for the past three years.
- Assisted in a pilot project in the Minnedosa Region with DUC to examine the benefits of forage production with a no-till producer.

## Public Education

Education is a top priority to the District. Activities included:

- Continued Classrooms and Creeks Program in two schools; Erickson and Rivers Collegiates. Students analyzed water chemistry from the Rolling River Watershed (Erickson) and Broughton's Creek Watershed (Rivers) that included 16 sample sites along the Little Saskatchewan River on a bi-annual basis.
- Delivered a water quality testing presentation and workshop to the Eco-Science Camp at Camp Wannakumbac, Clear Lake to Grades 6, 7 and 8 children. Over 30 people in attendance.
- Maintained liaison between the LSRCD and Member Councils regarding the District's activities and expansion process.
- Conducted two workshops that included a soil and water presentation.
- Assisted in data collection with a student from Brandon University to conduct an inventory of Broughton's Creek Watershed.
- Wrote news articles and participated in radio and television interviews.
- Produced the newsletter "Resource Reporter" bi-annually.
- Conducted four radio interviews for upcoming events.

- Conducted various presentations to promote the overall program. These included:
    - Sandy Lake Game and Fish
    - Leafy Spurge Stakeholder Committee
    - Oak River Ag-Society
    - Erickson Womens Institute
    - Minnedosa Beef Club
    - Inter-joint council meetings
- Selected two individuals as representatives at the Manitoba Conservation Districts Association Conservation Display Competition; Jeremy Mielke and Cody Northam of Rapid City and their display called "Farm Pollution".
- Jason Kozak, Jade Ringland and Bjorn Klockman were the winners of the poster competition.
- Ashley Larson of Erickson, Manitoba was selected as Youth Speaker. She was later chosen for Westman Women of Distinction Award.
- Assisted the provincial judges with judging in the Conservation Farm Family Competition. Wedderburn Family Farms were selected as Conservation Farm Family.
- Developed GIS maps for each of the Member Municipalities and for landowners for their on-farm plans.
- Through external partnerships, offered two GIS training workshops; ArcView 1 and 2 for various local people in the resource fields.

## Wildlife Habitat Programs

Wildlife is an intricate part of the watershed landscape providing economic and recreational benefits. Activities included:

- Established two new conservation corridors and purchased more signage.
- Distributed two beaver leveler pipes to producers.

## Forestry

Forestry is an important element to resource management, particularly in agro-woodlot management and its importance to a healthy watershed. Activities included:

- Organized a one-day workshop for producers to gain an understanding of the benefits of proper agro-woodlot management principles and also explored proper equipment and handling of agro-woodlot principles.
- Developed a "draft" program that would provide incentives for producers to develop agro-woodlot management initiatives on their private property.

## Assets

Additions to office and support equipment included various computer equipment and software, GPS receiver, plotter, new cellular phones and pH/Conductivity Meter.

## Program Management

Administration included costs associated with the rental of a building and associated utilities, office operation such as fax, phone, photocopier and supplies, staff salaries associated with administrative duties, as well as salary deductions.

# Mid Assiniboine River Conservation District

## Introduction

On March 1, 2002, Mid Assiniboine River Conservation District (MARCD) was proclaimed by Order in Council as Manitoba's 15th Conservation District and encompasses 1,546 km$^2$ of land in western Manitoba and has a population of 6,635. The Member Municipalities are Cornwallis, Elton and Whitehead, who partnered to offer area residents a wide variety of Soil and Water Management Programs. The Assiniboine River is the dominant water body flowing through the District.

Manitoba Water Stewardship is our major supporting partner. In addition, MARCD was able to successfully partner with Prairie Farm Rehabilitation Administration (PFRA), Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC), Covering New Ground, Brandon University, Manitoba Conservation, Department of Fisheries and Oceans and Manitoba Forage Council.

**MID ASSINIBOINE RIVER CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #98A - Little Souris A | Emil Egert | Brandon |
| #98B - Little Souris B | Gord Hansen | Brandon |
| #99A - Willow Creek | Harvey Paterson | Forrest |
| Board Chairperson | Wes Williamson | Alexander |
| Provincial Appointee | Vacant | |

## Summary

During its second full year of operations, the MARCD offered a variety of programs to landowners focusing on soil and water management issues. The District started development of a watershed management plan on Sub-District 98A in the Little Souris River Watershed and assisted municipalities, landowners and others with 170 projects.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $34,985 |
| Soil Conservation | | 23,508 |
| Wildlife/Fisheries | | 60 |
| Public Education | | 22,077 |
| Assets | | 9,633 |
| Other Project Support | | 33,905 |
| Administration | | 37,074 |
| | TOTAL | $161,242 |

For further details see Auditor's Report, Appendix H.

## Water Management

- Capped 20 abandoned wells.
- Installed six off-site watering systems with the pasture pipeline plow.
- Installed 14 new water supply sites due to drought conditions.
- Delivered two Riparian Programs.
- Began developing an Integrated Watershed Management Plan of the Little Souris River.

## Soil Conservation

- Forage establishment assistance was provided to 11 producers for 174 ha of new forages.
- DUC provided salinity seed to 20 producers for 80.9 ha of saline tolerant forages on cropland edges.
- Established 121.41 ha of winter wheat for soil erosion prevention.
- Established four rotational grazing systems to optimize pasture land use.
- Planted 5 km of shelterbelts.

## Public Education

- Oak Hammock Marsh "On the Go" visited Alexander, Forrest, Douglas and Shilo elementary schools.
- Visited one rural and one city school for Conservation Farming presentations.
- Demonstrated the no-till drill.
- Demonstrated a solar off-site watering system with pipe plow installation.
- Attended Bovine and Shoreline Workshop.
- Tours to other CDs.
- Presentations made at Ag Days for the Leafy Spurge Stakeholders Group.
- Held open house meetings to get input on the watershed management plan.
- Held open house meetings to start a local grazing club.

- Conservation Farm Family nominee was Jim and Heather James of Alexander, Manitoba.
- Poster contest for Manitoba Conservation Districts Association had 11 entries with three winners chosen.

## Program Management

Office operations, staff wages and expenses, Board remuneration and expenses and other operating expenses are included in this program.

# Pembina Valley Conservation District

## Introduction

The Pembina Valley Conservation District (PVCD), incorporated in October 1989, includes 5,164 km$^2$ of southern Manitoba. The District shares a boundary with North Dakota and its principal landscape features include the Pembina Valley, the Pembina Escarpment, the Tiger Hills, the Cypress River and part of the Red River Valley.

The PVCD is a partnership between the 16,650 residents of the Rural Municipalities (RMs) of Lorne, Louise, Pembina, Roblin, Stanley and Thompson, the Towns of Manitou and Pilot Mound and the Villages of Crystal City and Cartwright. There are seven Sub-Districts representing mini-watersheds within the District. The strength of this partnership lies in the grassroots approach and strong support from Manitoba Water Stewardship and other departments and external agencies. Partnerships are critical to delivering PVCD Programs.

**PEMBINA VALLEY CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| Boundary Area | Rob Harms | Snowflake |
| Lizard Lake | Murray Seymour | Darlingford |
| Swan Lake | Kendall Maxwell | Pilot Mound |
| Tiger Hills | Gerry DeSmet | Cypress River |
| Pembina Escarpment | George Jackson | Miami |
| Crystal-Cypress | Brian Charles | Cartwright |
| Badger Creek | Howard Ganske | Cartwright |
| Dead Horse | Allan Toews | Morden |
| Board Chairperson | Don Alexander | Miami |

## Summary

The District continues to focus on fundamental soil and water management issues, working with landowners to encourage conservation practices. Water quality issues are a growing concern for area residents and in response additional resources are being allocated to address this. Concerning wells, the District has been involved with water testing, shock chlorination, well assessment and abandoned well filling. As all aspects of the environment are interconnected, improved water quality is an end product of a lot of the works involved in. To this end a number of integrated watershed planning efforts have been initiated. Multipurpose water retention projects continue to be delivered on the landscape, as are gully stabilization and grass waterways.

This year we welcomed the RM of Stanley into the District, they will have representatives in the Dead Horse, Boundary and Lizard Lake Sub-Districts. Partnerships with Government and non-government agencies enhance the programs that can be offered to local landowners and municipalities. The Board appreciates the funding support from Manitoba Conservation Special Conservation Fund and Prairie Farm Rehabilitation Administration (PFRA) for a winter watering, shock chlorinating, the pipeline plow, well filling and alternative stock watering demonstrations. Ducks Unlimited Canada (DUC) Habitat Conservation Program helped fund a Salinity Barrier Program. Manitoba Hydro Forest

Enhancement Program paid for hundreds of trees to be planted in public places. Manitoba Habitat Heritage Corporation (MHHC) Agro Woodlot Program assisted with tree planting for bank stabilization works. A number of potential fish habitat enhancement projects are being investigated as a result of the study that was completed on improving the fisheries potential of the Pembina River. As in the past, Summer Career Placements and Hometown Green Team sources subsidized the cost of hiring summer staff, providing them with valuable experience and completing many important jobs. Manitoba Agriculture, Food and Rural Initiatives Program funded well filling and new techniques (hybrid/solar) for watering of livestock.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $356,232 |
| Soil Management | | 19,541 |
| Public Education | | 73,504 |
| Wildlife/Fisheries-Trees | | 37,649 |
| Program Management | | 42,160 |
| Other | | 43,443 |
| | TOTAL | $572,529 |

For further details see Auditor's Report, Appendix I.

## TOTAL FUNDING AVAILABLE FOR 2003-04

| | | |
|---|---|---|
| Municipal Contributions (Levied on all land [not buildings]) | | $101,175 |
| Water Stewardship Funding | | 298,000 |
| External Funding | | 138,113 |
| Landowner Share | | 35,241 |
| | TOTAL | $572,529 |

# Water Management

The District is involved with watersheds that drain into the Pembina, Assiniboine and Morris Rivers. Growing water management concerns include flooding, erosion, sedimentation, water quality and the need for basin wide planning and direction. A Small Dam Program that yields multiple benefits including; groundwater recharge, providing water for agricultural, domestic and recreational use, creation and enhancement of wildlife habitat, flood peak attenuation, water quality improvement, increased water infiltration, increased productivity and precipitation distribution.

- Constructed 23 backflood, stabilization and water retention projects.
- Sealed 62 abandoned wells.
- Shock chlorinated eight wells and completed a well assessment per well.
- Worked on the development of five Integrated Watershed Management Plans including:
  - Coleman Watershed
  - Pembina River Basin
  - Stephenfield Reservoir
  - Goudney Reservoir
  - Assiniboine Delta Aquifer

- Demonstrated off-site watering technologies on eight area farms.
- Assisted seven producers with the installation of 3,078 m of shallow buried pipeline for livestock watering.

## Soil Management

Soil conservation is viewed as an important factor in the economic, social and environmental health of the rural landscape. The benefits of soils programming include protecting the productivity and improving it for the future. More productive soil means improved economics for producers now and for the next generation. Soil conservation is changing as agriculture is changing with the increased size of farms and machinery and includes the following work:

- Forage Seed Assistance Program with 994 ha sown down to permanent cover.
- Gully Stabilization Projects.
- Grass waterways establishment and maintenance.
- Streambank stabilization.
- Three Checkstrip plots operated, hosting producers daily and with annual field tours.

## Public Education and Extension

Public education and extension are a high priority for young and old residents. This becomes more important as increasing change provides new challenges. The following projects were delivered this year:

- Information is passed on to the community through the local newspapers with each Sub-District putting stories into the paper.
- Sponsored the DUC "On the Go" Program in six of our local schools and a Project Wet Workshop at Nellie McClung Collegiate for all the teachers within the Prairie Spirit School Division. Several environmental educational sessions with local schools were delivered in and out of the classroom.
- Supports the PVCD Envirothon Club, which is made up of local high school youth and provides a fun environmental education opportunity. Our young people are our future leaders, stewards and protectors of the environment and these types of educational efforts are a priority.
- The Binney Corner Nature Preserve is a 13 ha natural site that is used for education, recreation and nature appreciation. This year, with external funding from Enbridge, purchased books, videos and environmental kits for schools. Several school groups used the site for an outdoor classroom. Each year brings increased interest for schools to use Binney Corner for outdoor educational activities.
- Dan and Debbie Hacault of Swan Lake were chosen as the Conservation Farm Family. The Hacults were recognized by the District and the Manitoba Conservation Districts Association (MCDA) for their stewardship of the land.

## Wildlife

In an ecosystem all things are connected and inter-dependant and although all the work is involved with benefits to wildlife and fish habitat, specific related projects include the following:

- Manitoba Hydro, through the Forest Enhancement Program, sponsored the purchase of shade, shelter and native fruit trees for planting in local community parks and public areas.
- The Green Banks (Riparian Stewardship) Program, which promotes healthier riparian zones for our rivers, lakes and streams, partners with MHHC and Manitoba Agriculture, Food and Rural Initiatives to deliver this program.

- Worked together with DUC to encourage landowners to sow a salinity seed mix as an alternative to increased drainage. Eighteen landowners sowed down 72.84 ha to permanent cover.
- Sponsored 41 landowners for the Forage Seed Program sowing down 1,066 ha.

## Program Management

The District has dedicated Board and staff that are continually looking for new ways of dealing with the challenges presented by local soil and water problems. Common sense and farmer ingenuity also play a role. Available training opportunities are used to strengthen the human resource side of the District.

# Seine-Rat River Conservation District

## Introduction

The Seine-Rat River Conservation District (SRRCD), incorporated in 2001, includes approximately 1,650 km$^2$ of land located in the Rural Municipalities (RMs) of La Broquerie, Ste. Anne and the City of Steinbach. There are approximately 16,600 residents living within these areas. The District is divided into five unique Sub-Districts based on watershed boundaries that make project and program recommendations to the main Board, with each Sub-District Committee Chairperson sitting on the main Board.

The region's economic base is highly diversified, encompassing a growing industrial and agricultural setting. Agricultural activities include livestock operations (dairy and hogs), large-scale forage production and annual crop production. The soils are highly erodable sand to sandy loam with incidences of clay occurring in small portions throughout the District which are covered by annual crops, mixed forests and a large portion is in native prairie grasslands or seeded forages. The SRRCD has endeavored to implement programs directed towards protecting water quality (surface and aquifer) which is of high priority within the District and to reduce the incidences of erosion with the highly sensitive soils.

Programs are jointly funded through public and private sector organizations, which are committed to the sustainability of our soil and water resources. Manitoba Water Stewardship is the major contributing partner. This cooperated effort, as well as the cooperation of other Government and non government organizations and District landowners, results in an effective, well rounded and supported sustainable Resource Management Program in this extremely diverse and unique area of Manitoba.

**SEINE-RAT RIVER CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #4 - Joubert Creek | Roland Gauthier | La Broquerie |
| #6 - Tourond Creek | Jean Gagnon | La Broquerie |
| #7 - Manning Canal | Chris Goertzen | Steinbach |
| #8 - Upper Seine River | Denis Vielfaure | La Broquerie |
| #9 - Lower Seine River (Diversion) | Arthur Bergmann | Ste. Anne |
| Board Chairperson | Cornie Goertzen | La Broquerie |
| Provincial Appointee | Vacant | |

## Summary

With the high value of farming operations, continually expanding rural development and flooding problems, water management continued to be the primary focus. The District delivered a wide array of Soil and Water Management Programs and initiated special projects to assist with the creation of an Integrated Watershed Management Plan.

The District is very pleased with its progress and success in securing external partnerships, which has allowed it to explore new project ideas, specifically, the use of Geographic Information Systems (GIS) in resource management planning.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $73,810 |
| Soil Conservation | | 6,087 |
| Public Education | | 46,572 |
| Wildlife | | 17,622 |
| Administration | | 52,643 |
| Assets | | 45,609 |
| | TOTAL | $242,343 |

For further details see Auditor's Report, Appendix J.

## Water Management

Water management included the maintenance of man-made and natural drains to ensure the efficient flow of water and to reduce damaging flood incidents. Water quality issues were addressed through implementation of Soil Conservation Programs, such as restricting cattle from streams and ensuring the establishment of grass buffers following drain maintenance work. The Well Water Testing Program was well received by residents and will continue to be offered as a regular program in upcoming years.

As potential municipal partners have discussions regarding joining the SRRCD, water management continues to be the biggest issue at the table. The SRRCD is working on collecting all the infrastructure, background and hydrology information necessary in order to assist the municipal partners in working towards effective and informed watershed management decisions. Water Management Programs completed:

- Maintenance of 8 km of drains
- Construction of one water retention structure
- Improved pasture areas through planned drainage
- Installed trial off-site watering system
- Monitored and removed three beaver dams to reduce farmland flooding
- Completed second year of baseline Surface Water Quality Testing Program in partnership with Manitoba Conservation

## Soil Conservation

Soil conservation through the maintenance and management of forage and pasture land is critical to the continued success of the cattle industry. Many farming operations and people benefit from improvements to pasture land and increases in forage production. Programs implemented to achieve goals:

- Grassed runways established - 1 km
- Rotational grazing - three projects completed with large ranch operations
- Research partnership - with Prairie Farm Rehabilitation Administration (PFRA) in three-year Hog Manure/Forage Fertility Trial study
- Riparian protection - constructed 2 km of fencing and three rock cattle crossings

## Public Education

The SRRCD believes in the importance of public environmental education and promotion of the CD within the southeast watershed. With growth and development and increased pressures on the natural resources of the area, the District realizes the value and importance of public awareness and education in order to promote stewardship of land and water resources and ensure a healthy and prosperous lifestyle now and into the future. Projects undertaken:

- Creation of website
- Presentations and communication with various RM councils and stakeholder groups
- Development and distribution of District information pamphlets
- Contribution to the annual Manitoba Conservation Districts Association (MCDA) magazine
- Two articles in local newspapers

## Wildlife/Fisheries

A Habitat Conservation Program is offered to landowners who own valuable wildlife and/or ecologically significant land, to ensure that it is conserved and/or enhanced. Working towards completing riparian and aquatic environmental health assessments on two of the major rivers within the southeast, which will provide important project priority lists whereupon project partnerships will be fully investigated in order to complete the required work. District activities:

- Started the Seine River Survey and Restoration Planning Project
- Initiated the Rat River Fish Habitat and Riparian Assessment Survey
- Transfer of 80 trees from village nursery as part of Village Beautification and Habitat Enhancement Program.

## Expansion Activities

Expansion activities:

- Addition of the RM of Ste. Anne and City of Steinbach
- Information exchange meetings with the RMs of Ritchot, Hanover, Tache and De Salaberry and the Village of St. Pierre-Jolys
- Invitations to RM Councils within southeast watershed to arrange for meetings to discuss the possibilities of joining the CD

# Tiger Hills Conservation District

## Introduction

On January 1, 2001, the Tiger Hills Conservation District (THCD) became Manitoba's 13th Conservation District formed with the 3,947 citizens of the Rural Municipalities (RMs) of Argyle, Glenwood, Strathcona and South Cypress and the Village of Glenboro, encompassing 7,953 km$^2$ of drainage area, three major river systems and soil types ranging from Stockton sands to Assiniboine clays. THCD is divided into five Sub-Districts, each responsible for a distinctive watershed and each committed to wise resource management and sustainable development.

**TIGER HILLS CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #56 - Pelican/Rock Lake | Wayne Hall | Killarney |
| #68 - Elgin Creek | Dwayne Brown | Souris |
| #70A - Upper Oak Creek | Hugh Stephenson | Baldur |
| #70B - Lower Oak Creek | Rodney Durham | Belmont |
| #99 - Central Assiniboine | John Hamilton | Glenboro |
| Board Chairperson | Jack Bolack | Glenora |

## Summary

In its third year of operations, THCD has defined programs and policies that focus on local concerns including integration and management of all natural resources. Programs have been developed that increase awareness and address soil and water conservation issues, manage problem wildlife and habitat degradation, promote and reward wise natural resource stewardship. The District assisted landowners, municipalities and other residents with 115 conservation projects.

**TOTAL EXPENDITURES 2003-04**

| Activity | | Expenditure |
|---|---|---|
| Public Education and Extension | | $37,007 |
| Soil Conservation | | 42,461 |
| Wildlife/Fisheries Management | | 807 |
| Water Management | | 43,618 |
| Assets | | 22,899 |
| Program Management | | 14,328 |
| | TOTAL | $161,120 |

For further details see Auditor's Report, Appendix K.

## Soil Conservation

Encouraging and promoting wise resource use and sustainable soil management continues to be a key component.

- Grassed Waterway Program - Landowner enters a three-year agreement for a demonstration of best management practices for waterways in a cultivated field.
- Winter Wheat Initiative – Winter wheat sowed on 364 ha by 18 landowners.
- Nutrient Management Program - Two landowners submitting soil test results. An Ammoniator was made available to spot apply fertilizer.
- Forage Seed Assistance Program – Twenty-three landowners sowed 372 ha into perennial cover.
- Pasture Management Program - Purchased and modified a second Molehill Leveler with 19 landowners participating. Additional conservation efforts included providing controls for leafy spurge, encroaching aspen and grasshoppers.
- Developed a Community Forest Project in a District village.
- Salinity Solutions - eight farmers received forage mixes to sow 32 ha of alkali-rich lands.
- Conservation Rewards Program - three applicants received a financial reward for their efforts in various soil conservation initiatives.

## Water Management

The programs designed to reduce stream flow velocity, protect ground and surface water quality and increase efficient use of on-farm water resources.

- Alternative Water Systems - Assisted 12 farmers to install 19 km of pasture pipeline.
- Remote solar powered watering system - Purchased and used as a demonstration tool to protect dugout waters.
- Six abandoned wells capped.
- Eight wells shock chlorinated.
- Rock riffle installed to slow the flow and reduce sediments entering the Oak Creek Watershed.

## Public Education and Extension

- Promoting and educating area residents on the wise use of natural resources remains a vital component.
- Oak Hammock Marsh "On the Go" again visited Baldur, Glenboro and Souris public schools with additional visits to Nature Valley, Newdale, Sandy Bank, Shamrock and Whistling Wind Hutterite Brethren Schools.
- Launched an interactive website at www.mts.net/~thcd/.
- Proclaimed Kevin, Linda, Derek, Dustin, Dwight and Dylan McGill as its Conservation Family Farm and have nominated the McGill Family Farm as representative to the Manitoba Conservation Districts Associations 2003 Ransom Family Award.
- A self-powered winter watering system was developed for a demonstration.
- Presentations were made to two local soil and farm groups.
- Displays at local fairs in Glenboro, Baldur, Belmont and Souris showcased the programs.
- Extension services provided to local residents included development and use of Global Positioning System (GPS) and Geographical Information System (GIS) on the farm, references to address various resource issues and connecting farmers with suppliers of alternative technologies and techniques.

- At the annual dinner, guest speakers spoke on the various opportunities for resource based industries, preservation of natural areas for future generations and shelterbelt initiatives across the prairies.

## Wildlife/Fisheries Management

Programs include problem wildlife control through beaver deceiver installation and prairie enhancement projects, including aspen encroachment and conservation corridor establishment.

- Prairie Enhancement Program - Inventorying leafy spurge bio-control releases, aspen encroachment control measures and encouraging environmentally friendly grasshopper methods.
- Beaver Management - Installation of a trapezoidal culvert gate and non-lethal controls.
- Fish Habitat Inventory - Initiation of an inventory of riparian habitats along waterways.

## Special Projects

Initial investigations of projects or programs that integrate multiple resource management aspects are undertaken as special projects.

- Investigations of three projects that address diverse and integrate resource management were undertaken, including fish habitat enhancement/water storage, lake level stabilization and effluent control.

## Program Management

Office operations, Board remuneration, communications and other operating expenses are included in this program.

# Turtle Mountain Conservation District

## Introduction

Consisting of 4,260 km$^2$, the Turtle Mountain Conservation District (TMCD) is located in the southwest corner of Manitoba along the international boundary. The District is bounded on the south by the Turtle Mountain uplands, on the east by the headwaters of the Pembina River system and Pelican Lake and on the west by the historic Souris River. The District is a unique mix of glacial uplands surrounded by a flat intensively farmed till plain. Several intermittent streams, small lakes and potholes characterize the landscape. The upland areas include native mixed grass prairie and deciduous woodlots, while annual cropping predominantly influences the plains. Located in the center of the District is Whitewater Lake, a huge wetland area renown throughout North America for its natural biodiversity. This mix of topography and natural resources gives rise to many of the activities and programs.

Members include the Rural Municipalities (RMs) of Arthur, Brenda, Morton, Turtle Mountain and Winchester and the Towns of Boissevain, Deloraine, Killarney and the Village of Waskada. The area represented by these Municipalities is further divided into seven watershed Sub-Districts.

Manitoba Water Stewardship is the major supporting partner for the program, together with a host of cooperating agencies and governments at all levels. The interaction, cooperation and support of local landowners and producers is, however, the cornerstone resulting in a sound, well supported program of sustainable resource management for a very unique region of Manitoba and Canada.

### TURTLE MOUNTAIN CONSERVATION DISTRICT
### BOARD MEMBERS 2003-04

| SUB-DISTRICTS | CHAIRPERSON | ADDRESS |
|---|---|---|
| #58 - Wakopa Creek | Myna Cryderman | Boissevain |
| #59 - Upper Pembina | Brian Hammond | Boissevain |
| #64 - West Arthur | Brian Fletcher | Coulter |
| #65 - Waskada Creek | Keith Hannah | Waskada |
| #66 - Medora Creek | Gord Weidenhamer | Deloraine |
| #67 - Chain Lakes | Murray Dillabough | Deloraine |
| #68 - Elgin Creek/Whitewater Lake | Richard Sexton | Deloraine |
| | Greg More | Elgin |
| Provincial Appointee | Murray Combs | Deloraine |
| Board Chairperson | Cliff Snyder | Melita |
| | Richard Sexton | Deloraine |

## Summary

The District is proud to have completed its 31st year of operation in the fiscal year. Grassroots involvement in 1973, along with the commitment from the local municipalities and the Province to address conservation issues in the region, lead to the formation of the Turtle Mountain Resource CD. The commitment by all involved with the District over the past 31 years has allowed the implementation of many Soil and Water Conservation Programs in addition to wildlife habitat, education, fisheries, historic and heritage projects on the landscape in south-western Manitoba.

The District would like to acknowledge the support of Manitoba Water Stewardship and all the other external partners that have provided either financial or technical assistance and look forward to continued support in the future. With a rich history on the landscape, the District is proud of the accomplishments and is even more excited about the future for the TMCD and the CD Program.

### TOTAL EXPENDITURES 2003-04

| Activity | Expenditure |
|---|---|
| Water Management | $148,480 |
| Soil Conservation | 92,902 |
| Wildlife | 18,816 |
| Public Education and Extension | 146,756 |
| Administration | 33,899 |
| Equipment/Land | 141,099 |
| Amortization | 16,004 |
| Inventory | 1,258 |
| TOTAL | $599,214 |

For further details see Auditor's Report, Appendix L.

## Water Management

Over the past year, seven watershed Sub-Districts have delivered a very diverse list of program activities.

- **Abandoned Well Sealing** – Assisted landowners to permanently seal 23 wells no longer in use.
- **Remote Watering System** - Assisted 8 producers with the establishment of off-site watering systems for livestock.
- **Livestock Access Ramp** - Three limited entry hardened access ramps were constructed to improve livestock watering.
- **Road Allowance Seeding** - Reseeding of the right of ways on 13 km of ditches to control soil erosion on newly constructed or upgraded roads.
- **Small Water Storage** - Assisted landowners with the construction of eight small headwater dams and repairs were completed at four existing dams.
- **Grassed Waterway** - Assisted landowners with the shaping and seeding of seasonal runs to control erosion - two grassed waterways were established and repairs were made to an existing waterway.
- **Stone Crossing** - Five crossings were established on intermittent creeks to allow for improved landowner access.
- **Creek Maintenance** - Thirty-five km of natural waterways were mowed and snow was cleared to reduce flood damage.
- **Gully Stabilization** - Assisted one landowner with the stabilization of gullies through shaping/contouring and stabilization methods.
- **Creek Stabilization** - One project was completed on waterway banks that were susceptible to erosion.
- The Chain Lakes Sub-District continues to implement a planned grazing demonstration at the Adair Dam property and also has a solar powered remote watering demonstration system that was used by four landowners.
- Continued to work towards completing a watershed management plan for four sub-watersheds which will help direct activities into the future. The re-alignment of the western boundary has been finalized with the West Souris River Conservation District and the RMs of Arthur and Cameron and will take effect in the 2004-05 fiscal year. Continue

to work on re-aligning the watershed boundary rather than administrative boundaries.

- Is also a member of the Pembina River Basin Advisory Board and has conducted water sampling in the headwaters region of the basin as part of a three-year study to collect baseline information on water quality and quantity.
- Has been involved with the South West Manitoba Water Development Team and the Tri-Lakes Development Group which are local stakeholder groups working to address the goals of the local members.
- Assisted with water sampling in the RM of Arthur to increase the knowledge base of regional groundwater resources.

The Program as presented should clearly indicate a well rounded list of options for producers concerned about water management and does not focus solely on the movement of water within the watershed, but also with those aspects of land management having a positive impact on water movement within the District.

## Soil Conservation

A variety of Soil Conservation Programs are provided for landowners to encourage the sustainable use of land and the conservation of soil resources. As the variability in precipitation continues across the prairies and throughout the District, it will be critical that landowners implement land-use practices that protect soil resources from the elements.

- **Forage Seed Assistance** - Allowed 164 landowners the option to purchase forage seed of their choice through a local seed retailer and the District provided financial assistance on a portion of the cost to establish 2,930 ha of forage.
- **Shelterbelt** - This consisted of 35 km of shelterbelt trees planted and plastic mulch being applied to assist with weed control. Through financial assistance from the Manitoba Hydro Forest Enhancement Program trees were planted at the Boissevain Health Centre.
- **Rotational Grazing** – Assisted six producers to improve their grazing management systems by constructing interior fencing to improve livestock distribution.
- With the support of Ducks Unlimited Canada, distributed 80 ha of forage seed for salinity barriers to 20 landowners. Specialized seeding equipment included the Tye grass drill (243 ha) and various broadcast seeders. Six producers plowed 7 km of shallow burial pipe for livestock watering and the water pump was used by 15 producers. One project was initiated through funding from Agriculture and Agri-Food Canada to demonstrate how portable windbreaks could be used to winter livestock on the range.

## Wildlife

- Habitat Development and Protection Programs included 11 habitat leases which contribute annual payments to producers for wildlife habitat that is protected. Preservation of existing natural habitat is an important goal, especially in the wooded uplands of the Turtle Mountains and native grasslands. An advisory committee was established to explore possible options to protect habitat in the Turtle Mountains and to raise the awareness level regarding the value of the area as it relates to soil, water and habitat conservation.
- The protection of riparian areas and natural wetlands in the prairie is considered critical for biodiversity, groundwater recharge and healthy water cycles. The District partnered with the Manitoba Habitat Heritage Corporation on riparian projects with four producers.
- The on-going Aeration Project in the Derksen-Heide Reservoir near Boissevain has been the responsibility of the District and has been involved with other local partners in promoting Whitewater Lake as an important bird area and hosting the inaugural Whitewater Lake Bird Festival. A cairn was erected on a 48 ha property donated to recognize the generous donation.
- Administered funds from Manitoba Agriculture, Food and Rural Initiatives – Covering New Ground Program for riparian training for technical personnel in Manitoba in addition to funding Bovines and Shorelines Workshops. Green Cover Canada provided funds for the printing of the first edition of the Riparian Health Assessment Guide for Manitoba.

## Public Education

- Active in delivering a diverse Public Education Program targeted towards virtually everyone in the District. Children are exposed to educational activities through the "Conservation in the Classroom" Program delivered to school aged children and also focuses on the interests of adults with natural and interpretive areas, as well as the historic and heritage resources. It involves all schools in the District and assists with field trips, operational supplies for greenhouses and the Melita School Environmental Club. Also supports the purchase of publications, books and other materials related to conservation. Funding for the "On the Go" Educational Interpretive Program was also provided to all schools in the region.
- Public interpretive areas remain a priority at the Metigoshe Natural Area, Newcomb's Hollow and other properties owned by the TMCD. The Metigoshe Natural Area consists of a parking area, interpretive tower and self-guided hiking trail. Newcomb's Hollow has become an attraction for tourists wishing to view the historic Boundary Commission Trail. Continues to support the Whitewater Lake Wildlife Viewing Center, which is a destination for birders from around the world. Agricultural plots were planted and maintained at the International Peace Gardens to inform the public of crop/grass varieties that exist in the region.
- Staff provides extension services to many residents of the District.
- Held an annual banquet to inform the public and partners of annual activities.
- The Kevin and Glenda Archibald Family from Killarney was the Conservation Farm Family and Kaitlin Campbell was the Youth Speaker at the annual Manitoba Conservation Districts Association Convention.
- Involved in the promotion of programs through merchandise, the Conservation Corner newsletter and website, advertisements in weekly newspapers and in the annual agricultural supplement as well as numerous articles.
- Expenses and remuneration of Board and Sub-District Members was covered through the Education Program.

## Assets

Additions to the equipment list included the construction of a works area/storage facility and tools for the works crew, a power take off broadcast seeder, lay flat hose for the water pump, a presentation screen and a Gobal Positioning System. The inventory list consists of plastic mulch and grass seed. A tractor was sold that is no longer used.

## Program Management

Program management expenditures include a portion of salaries and expenses for staff, rent and miscellaneous operating costs. The District also takes advantage of external human resource support wherever possible through the Green Team Program.

# Turtle River Watershed Conservation District

## Introduction

The Turtle River Watershed Conservation District (TRWCD) was incorporated in 1975 and includes approximately 235,000 ha of land located between the Riding Mountain Escarpment and Lake Dauphin. The District boundaries are based on the entire watersheds of the Hansen Creek, Turtle and Ochre Rivers. The TRWCD is further divided into three Sub-Districts that encompass all or part of the Rural Municipalities (RMs) of Alonsa, Dauphin, Lawrence, McCreary, Ochre River, Rosedale and Ste. Rose, as well as the Town of Ste. Rose du Lac and the Village of McCreary.

**TURTLE RIVER WATERSHED CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #44 - Upper Turtle River | Dave Smith | McCreary |
| #45 - Lower Turtle River | Paul Brunel | Ste. Rose |
| #46 - Ochre River | Joe Felix | Ochre River |
| Board Chairperson | Paul Brunel | Ste. Rose |
| Provincial Appointee | Denis Maguet | Ste. Rose |

## Summary

The District continued to place emphasis on numerous watershed issues, including maintenance of agricultural drainage channels and crossings. In water management, proceeded with resolving a number of outstanding soil and water issues, including legal surveys and land acquisition right of way payments. Successfully maintained 156 km of agricultural drain channels, 28 km received minor reconstruction along specific reaches and an additional 128 km received attention through brushing, spraying and minor minimum disturbance clean-outs.

Four erosion control structures were repaired within drains and escarpment creeks and three small stretches of streambanks were stabilized. Twenty-nine crossings underwent extensive repairs and 11 new crossings were replaced and/or reconstructed. Four abandoned wells were filled and sealed.

In the Soils Program, 364 ha of erosion prone agricultural land were seeded into forages, one riparian project completed, 10 km of shelterbelts planted and over 1,000 trees planted. In partnership with Manitoba Agriculture, Food and Rural Initiatives, an extensive Noxious Weed Program was initiated and focused specifically on leafy spurge and purple loosestrife site identification and control.

George and Yvonne Giesel of Riverside Farms in Ochre River, were honoured as the Conservation Farm Family.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $273,524 |
| Crossing Repair and Replacement | | 117,525 |
| Soil Management | | 25,089 |
| Wildlife/Fisheries | | 11,340 |
| Public Education and Extension | | 39,013 |
| Program Management | | 31,005 |
| Other | | 76,554 |
| | TOTAL | $574,050 |

For further details see Auditor's Report, Appendix M.

## Water Management

- **Land Management Service (LMS)** - Continued to finalize numerous outstanding right of way issues that included payments for land acquisition, processing fees, legal fees, landowner tax repayments and interest charges which have been compounding annually for several years.
- **Drain Maintenance** - A total of 156 km of drains were maintained. In addition to the 120 km of regular vegetative maintenance by mechanical brushing, spot spraying, minimal disturbance maintenance on agricultural drainage channels, an additional 8 km of minor repairs, seeding and leveling of 2002 works were finalized on the Norgate, Tityk, Maguet and Mostoway Drains. Twenty-eight km of drainage channels received major upgrading, including the Irwin, West Hansen, Flynn, Schapf and Crooked Creek Drains.
- **Crossing Repair and Replacement** - Twenty crossings received extensive maintenance repair and another 20 crossings were upgraded. Updated and completed an overall infrastructure inventory and assessment of all crossings under the jurisdiction and authority of the TRWCD and recorded corresponding data onto the Geographical Information System - "Watershed the System".
- **Beaver Management** - Extensive expenditures occurred through remedial actions associated with beaver activity in agricultural drains and right of ways.
- **Miscellaneous** - Each year, costly ongoing maintenance expenditures are exhibited as a result of heavy snow pack conditions, spring runoff and heavy summer precipitation events causing infrastructure icing, ice blockages, erosion repair, debris removal and culvert reinstallations.

## Soil Conservation

- **Bufferstrip Program** - Continued in its initiative to encourage producers to seed down forages along drainage channels provided 50-50 cost sharing to producers. In the future if there is reoccurring problems along specific drains, TRWCD will only consider works if the landowner agrees and maintains a bufferstrip along the drain.
- **Grassed Waterway Program** - Two producers participated in seeding down the natural waterway, preventing further soil erosion caused by water runoff.
- **Rural Municipality Road Allowance Seeding Program** - Annually, District RMs contract the TRWCD to seed road allowances along newly constructed roads preventing erosion.
- **Shelterbelts/Plastic Mulch Application** - Six sites were addressed this past fiscal year.
- **Miscellaneous** - In partnership with Manitoba Agriculture, Food and Rural Initiatives, an extensive Noxious Weed Program was initiated and focused specifically on leafy spurge and purple loosestrife site identification and control.

## Multiple Resource Projects/Recreation

- The TRWCD owns and manages in excess of 971 ha of land primarily used for multiple resource and recreational purposes and is currently partnering with the Nature Conservancy of Canada (NCC) to ensure the acquisition and conservation easement application on an additional 130 ha of wildlife habitat and water management land in the area north of the Alluvial Fan.
- In partnership with Manitoba Habitat Heritage Corporation, implemented a riparian project adjacent to the Turtle River outlet into Dauphin Lake. It is anticipated this will complement previous projects undertaken to prevent shore land erosion from Dauphin Lake and the Turtle River system.

## Wildlife/Fisheries

- **Wildlife Incentive Program** - One landowner participated and received a financial incentive in return for leaving private land untouched for wildlife and other conservation benefits. To date, approximately 540 ha of wildlife habitat have been co-operatively set aside.
- **Trout Stocking Program** - Continued in two local ponds in the RMs of Ste. Rose and McCreary.

## Public Education and Extension

- The Conservation Farm Family was George and Yvonne Giesel of Riverside Farms in the Ochre River area. The Giesel Family attended the annual Manitoba Conservation Districts Association Conference in Brandon.
- Participated in the National Soil Conservation, Forestry, Wildlife and Environment Week in such activities as:
  - Trees were distributed in partnership with Prairie Farm Rehabilitation Administration.
  - Various posters and presentations were completed.
  - Field trips to Riding Mountain National Park.
- As a member of many organizations, the TRWCD is able to network, find partnerships and new innovative ideas. Also supports many community efforts through supplying various promotional items.
- Maintains a comprehensive, up-to-date inventory of slides and pictures of all initiatives for educational purposes and is actively involved in community fairs, various summer events and hosts an annual banquet to inform the public on the many projects and partnerships.

## Program Management

Administrative costs include staff salaries and expenses, Board and 19 Sub-District Members remuneration, rent and office operation costs. Staff consists of two full time, one part time administrative assistant, one part time project consultant and also employs three full time seasonal works crews and with the assistance of the Summer Career Placement Program and the Hometown Green Team Program, two summer students are hired to assist. The District has finalized all Union negotiations.

# Upper Assiniboine River Conservation District

## Introduction

The Upper Assiniboine River Conservation District (UARCD) was established in 1996. The 2,449 km$^2$ watershed is somewhat rectangular and is bordered by Riding Mountain National Park to the north, Gopher Creek to the south, the Saskatchewan border to the west and the Town of Shoal Lake to the east. It is one of four Conservation Districts in Manitoba that is larger than the Province of Prince Edward Island.

The UARCD is comprised of the Rural Municipalities (RMs) of Archie, Birtle, Ellice, Hamiota, Miniota, Rossburn, Shoal Lake, Wallace and Woodworth and includes the Towns of Birtle, Hamiota, Rossburn and Shoal Lake. The District is divided into 11 watersheds or Sub-Districts with a total of 62 Sub-District Members representing the watersheds.

**UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #72 - Upper Oak River | Johnny Michasiw | Shoal Lake |
| #73 - Lower Oak River | Bruce Cochran | Hamiota |
| #73A - Lower Assiniboine River | Robert Alexander | Lenore |
| #74 - Minnewasta Creek | Rusty Still | Isabella |
| #74A - Arrow River | Theresa Michalchuk | Shoal Lake |
| #75 - Boshill Creek | Bill McQuaker | Virden |
| #77 - Birdtail River | Ron Kostesky | Rossburn |
| #78 - Snake Creek | Bill Steward | Foxwarren |
| #78A - Wythes/Niso Creek | Ron Bryant | Miniota |
| #78B - Qu'Appelle River | Guy Huberdeau | St. Lazare |
| #78C - Brennand/Scissor Creek | Robbie Craig | McAuley |
| Provincial Appointee | Gerald Shier | Crandall |
| Board Chairperson | Leonard Sitko | Oakburn |

## Summary

The District experienced a unique situation with a combination of record low precipitation, a crippled beef industry, sizable reduction in Pregnant Mares Urine (PMU) producers, as well as insect problems, reducing the number of landowners that were willing to spend time and energy on conservation efforts. Accordingly, the UARCD worked hard to keep conservation in the forefront of land management issues and in the minds of producers.

The UARCD continued to work toward its long-term watershed management goals by initiating a Resource Inventory late in the year. Throughout the course of the year, the District assisted landowners with 283 separate conservation projects, making 2003-04 a year of strong continued activity in the field of resource conservation.

One such project, addressing the capture and containment of livestock waste and runoff, was a first. Completed in coordination with Prairie Farm Rehabilitation Association, this structure eliminated the infiltration and surface run-off of livestock effluent into a nearby watercourse. The retention pond now gives the landowner the opportunity to irrigate an adjacent field with this nutrient rich resource rather than allowing the runoff to enter surface water. The UARCD is proud of this since it directly targets their water management goals and in the future, will highlight this project as an innovative way to curb point source impacts to water quality and strive to find logical and sound solutions to water protection.

## TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $186,967 |
| Wildlife | | 5,776 |
| Soil Management | | 60,804 |
| Public Education/Extension | | 97,223 |
| Program Management | | 42,220 |
| Assets | | 31,607 |
| | TOTAL | $424,597 |

For further details please see Auditor's Report, Appendix N.

## Water Management

The primary goal of the Water Management Program is to improve water quality in both groundwater and surface water resources. In an attempt to achieve this goal the Board is protecting groundwater by sealing abandoned wells. Surface water quality is enhanced by reducing infiltration by agricultural pollutants, as well as reducing types of erosion that increase sediment loading in rivers and streams of the watershed.

Activities with the participation of 127 landowners within the watershed included:

- Sealed 73 abandoned wells.
- Assisted with 15 alternative livestock watering projects.
- Constructed four new small dams.
- Repaired three dams, two of which were previously constructed by landowners on a private basis.
- Constructed one diversion and settling pond system for manure runoff.
- Constructed 10 new livestock crossings.
- Seven landowners took advantage of the pipeline plow designed to provide remote watering from a variety of applications to plow in 10 km of pipeline.
- Expanded a stream bank stabilization at Birtle Park to restore 85 m of shoreline.

## Soil Conservation

The District recognizes that soil resources are vitally important to the watershed for many reasons. First, watershed management begins in the upland where rainfall and runoff start. Healthy uplands reduce erosion and result in improved water quality and watershed health. Second, the District is a predominantly agricultural area. The economy of the area depends upon healthy soil resources. Consequently, practices improving the health and longevity of soil resources should be promoted. In order to achieve these goals, assisted 159 cooperating landowners in the following programs:

- Rotational grazing funding and plans were provided to two landowners.
- The Saline Seed Program provided seed to 21 landowners sowing 84.84 ha of problem saline areas to permanent cover.
- Through the Forage Seed Program 41 landowners were able to transform 698 ha of land to more sustainable permanent cover.
- Through the incentive to sow winter cereals 16 landowners enrolled over 290 ha of cropland.
- Assisted 27 landowners with the design and planting of over 34 km of shelterbelts.

## Public Education and Extension Services

The District has committed to a public education and extension strategy for its residents and is currently researching opportunities to deliver conservation lessons that would address or work in conjunction with the science curriculum. Area schools and the education of landowners have been identified as a key component of this strategy. More Education Programs were offered than in any previous year, these included:

- Conservation in the Classroom, a tree planting education seminar for area students reached all schools. The seminar was sponsored by Manitoba Hydro and not only provided an introduction to tree planting for the students but also introduced many students to the CD.
- Several educational days.
- Two shock chlorination demonstrations.
- Pipeline plow demonstrations.
- Abandoned well sealing demonstrations.
- Two newsletters describing activities were published and bulk mailed to all boxes within the watershed.
- Youth speaking competition.
- Educational displays at fairs.
- Several articles produced for the local and provincial newspapers.
- Participation in the Eco-Science Camp, a program developed to increase awareness of the natural processes at work in Riding Mountain National Park.
- "On the Go" Educational Programs presented by the Oak Hammock Marsh Interpretive Center at two schools.
- A plot with several different varieties of native and non-native forages maintained in the Minnewasta Sub-District.

## Wildlife and Habitat Programs

As outlined in the recently completed management plan and Five Year Plan, the District recognizes wildlife management as one important aspect of watershed management. However, as there are many existing agencies with the primary mandate of wildlife management, the District will not take the lead role in Wildlife or Habitat Programs, but will instead assist these agencies. Following this directive:

- Continued conservation partnerships with Ducks Unlimited Canada and Delta Waterfowl.
- Assisted the Hamiota Conservation Authority with the establishment of a Conservation Corridor Program in the RM of Hamiota associated with their recreational trail development.
- Continued to offer demonstration projects of new technology to combat the negative effects of high beaver populations.

## Program Management

This program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and other operating costs. This year, UARCD hired a new District Manager, Ryan Canart, who lives and farms in the southern end of the District.

# West Souris River Conservation District

## Introduction

The West Souris River Conservation District (WSRCD) was officially incorporated as Manitoba's seventh Conservation District on January 1, 1995. Expansion of the District on April 1, 1999 added the Rural Municipality (RM) of Cameron to the original membership of the RMs of Albert, Edward, Pipestone and Sifton. A second expansion in April 2002 brought part of the RM of Wallace into the District. A total of seven Sub-Districts were formed on the basis of the watersheds of the several creeks within the District.

The WSRCD covers approximately 4,352.5 $km^2$ of south western Manitoba. Soils are generally light and prone to erosion. Communities face numerous challenges in sustaining long-term, productive use of their natural resource base. Programs have been designed to locally manage soil and water resources in the area.

**WEST SOURIS RIVER CONSERVATION DISTRICT**
**BOARD MEMBERS 2003-04**

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #98 - North Pipestone/Sifton | Richard Thiry | Oak Lake |
| #62 - Plum Creek | Doug Wilson/Alex Grieve | Reston/Virden |
| #63 - Stony Creek | Lloyd Atchison | Pipestone |
| #64 - Jackson/Graham Creek | Perry Hendry | Tilston |
| #65 - Gainsborough/South Antler | Tim McMechan | Lyleton |
| #67 - Central Souris River | Gordon White | Hartney |
| #68 - Elgin Creek | Greg More | Elgin |
| Provincial Appointee | Bill Henderson | Oak Lake |
| Board Chairperson | Gregg Fotheringham | Reston |

## Summary

Partnerships were formed with many agencies, including Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC), Fisheries Enhancement Initiative (FEI), Rural Water Development Program (RWDP), Prairie Farm Rehabilitation Administration (PFRA), Manitoba Water Stewardship and Natural Resources Canada.

Water management priorities are met through a wide array of projects aimed at water quality and quantity. Water quality issues were addressed through testing of ground and surface water sources, as well as the sealing of old wells. For the second year in succession, the flexibility of the CD Program allowed for increased budget for the development of new wells as the need arose due to drought conditions. Water shortages for livestock again brought about strong interest in the pasture pipeline plow and the use of alternative water systems for livestock. An active role was played in the development of a Southwest Manitoba Water Development Team, which includes 14 municipalities, several towns and the Turtle Mountain Conservation District (TMCD). Water testing was carried out in WSRCD and in southwest Manitoba in partnership with PFRA, TMCD, Upper Assiniboine River Conservation District (UARCD) and The Manitoba Water Services Board (MWSB). Water exploration, in partnership with PFRA, was successful in locating potentially good water supplies in the Pierson Buried Valley.

As a result of the Five Year Plan process, many of the Soils Programs were reviewed and decisions made to discontinue the Drill Program and to restructure the Forage Programs in light of the Green Cover Program.

This was a successful year for Educational Programs, made possible primarily by strong support garnered through numerous partnerships.

Talks continued with TMCD and the Province and Member Municipalities regarding boundary changes.

### TOTAL EXPENDITURES 2003-04

| Activity | | Expenditure |
|---|---|---|
| Water Management | | $159,828 |
| Soil Management | | 56,234 |
| Public Education and Awareness | | 68,675 |
| Wildlife Management | | 26,272 |
| Program Management | | 62,907 |
| Assets | | 55,225 |
| | TOTAL | $429,141 |

For further details please see Auditor's Report, Appendix O.

## Water Management

Ensuring water quality and quantity for District residents are primary goals of the WSRCD. Protection, development and wise use of ground and surface water sources are the foundation of this program. The following programs and initiatives were implemented:

- Sealing of 12 old wells.
- Assistance on the development of 17 new farm wells.
- Water chemistry testing on 92 wells.
- Continued quality testing on all creeks.
- More than 10 referrals made to MWSB for off-site watering and other water development projects.
- Installed 16 km of water lines with the pasture plow to alleviate water shortages for 12 livestock operations.
- Active roles in management of the Oak Lake aquifer through representation on the Oak Lake Aquifer Management Advisory Board (OLAMAB).
- Cooperated with PFRA to implement a groundwater assessment aimed at compiling old and new information in order to develop digital reports and maps of groundwater potential, quality, etc. Water tests on 100 wells in WSRCD, TMCD and UARCD were part of the assessment as was the exploration for the Pierson Buried Valley within WSRCD.
- Actively participated in the Southwest Manitoba Water Development Team.
- Completed 20 km of the Pipestone Creek Riparian Conservation Project, removing dead elms from creek banks and channels.
- One feedlot diversion project was completed.
- Three riparian fencing projects were completed.
- Maintained contact with Saskatchewan regarding watershed planning and attended meetings to inform Saskatchewan residents of WSRCD programs.

## Soil Management

Through the Five Year Planning process made some changes to the Soils Programs. A very large majority of producers have adopted no-till and reduced tillage practises and as a result made a choice to no longer offer certain programs, opting instead for demonstrations to promote soil conservation. Forage Programs were discontinued in light of the upcoming Green Cover Program. The Residue Management Program was also discontinued and the drill was sold. Soil Programs addressed issues of erosion, soil improvement and productivity through the following activities:

- Managed grazing systems were developed using recommended techniques for eight farms.
- Planted 10 km of new shelterbelts and maintenance continued on more than 20 km.
- Planted 2,400 ha of blended clover by 20 producers through a partnership with DUC.
- Planted 500 ha of salinity forage by 10 producers through a partnership with DUC.

## Public Education and Awareness

Continued to develop and deliver Education and Awareness Programs to residents through Youth Programs as well as through demonstrations and tours for producers. A priority was to expand the Clean Stream Team (CST) Program to other schools in the District. As in the past, many other agencies offered financial or technical support for Education Programs that included:

- Environmental Education Projects and Programs with five schools that included Classroom Conservation, shelterbelt education, aquatic studies and the Oak Hammock Marsh Interpretive Centre's "On the Go" Program.
- FEI provided $19,000 for the expansion of CST Program to include Hartney and Reston, along with Pierson. Projects were implemented along the Gainsborough and Pipestone Creeks and the Souris River, making improvements that included grazing management, riparian fencing and pasture pipeline.
- Staff was invited to judge Science Fair Projects at Oak Lake and Pierson Schools.
- A float depicting the District activities was entered in the Reston Fair.
- Forage plots showing over 30 grasses and legumes were maintained.
- The Wangs of Pierson were selected as the Conservation Farm Family.
- A number of news articles were written about or submitted for local papers.
- Guided tours of the Canupawakpa Nature Trail with students from Reston Elementary School.
- Assisted with tree planting at Canupawakpa Nursery School.
- A project to demonstrate the use of satellite imagery in the detection of leafy spurge was carried out in the RM of Cameron.

## Wildlife

A number of programs beneficial to fish and wildlife were cooperatively delivered. These included:

- Participation in the Mixed Grass Prairie Grazing Demonstration. This project, initiated by wildlife agencies in the Province to show the benefits of rotational grazing native grasslands for the good of wildlife and increased livestock productivity, was in its final year.
- Distribution of salinity forage and blended clover mixes to producers as part of the DUC Habitat Conservation agreement.
- Monitoring of oxygen levels on Oak Lake.
- Stream inventory of creeks to determine fisheries value was completed.

## New Advancements

A number of new initiatives and program directives were established, some as a result of the Five Year Planning exercise, others as a result of partnerships with other agencies. They are as follows:

- Entered into discussions with TMCD on changing joint boundaries from municipal to natural watersheds.
- Streamlined program delivery to develop an economical approach to meeting priorities.
- Explored options for more efficient aeration of Oak Lake.
- Hired a facilitator for watershed planning process.

## External Funding

Many new and existing partnerships with Government, non-government and private agencies provided additional funding or assistance to deliver valuable resource projects. Express gratitude to:

| **Program/Partner** | **Funding** |
|---|---|
| Manitoba Habitat Heritage Corporation | $8,000 |
| Ducks Unlimited Canada | 6,750 |
| Covering New Ground | 8,595 |
| Fisheries Enhancement Initiative | 25,485 |
| Rural Municipality of Pipestone | 16,900 |
| Anonymous Donor | 4,000 |
| Manitoba Water Stewardship | 6,000 |
| Rural Water Development Program (PFRA) | 11,120 |
| The Manitoba Water Services Board | 900 |
| Reston Grazing Club | 1,000 |
| Natural Resources Canada (Sustainable Communities Initiatives) | 46,310 |
| TOTAL | $135,060 |

Additional contributions through technical assistance and in kind services were provided by: MWSB, Manitoba Crown Lands, Manitoba Agriculture, Food and Rural Initiatives, RWDP, Manitoba Conservation, PFRA, DUC, Manitoba Conservation Districts Program and Manitoba Agro Woodlot Program.

## Program Management

Project support costs consisted of equipment maintenance and leases, remuneration for the Board and Sub-District Members and salaries for technical support staff and program coordination and planning.

Administratively, two major initiatives were started during this fiscal year. First, was the move toward boundary realignment. Second, was the hiring of a facilitator to assist with watershed planning in the upcoming 2004-05 fiscal year. Administrative costs included office staff salaries, reimbursed expenses and office/shop operation costs. Reimbursement for office space and secretarial duties continued to be provided by MHHC.

Office and support equipment included a large format printer and a Geographical Information System. The annual debenture payment for office financing is also included.

# Whitemud Watershed Conservation District

## Introduction

The Whitemud Watershed Conservation District (WWCD), incorporated in March 1972, includes approximately 711,495 ha extending from Carberry north to Kelwood and from Portage Diversion west toward Minnedosa.

The area includes all or portions of the Rural Municipalities (RMs) of Alonsa, Clanwilliam, Elton, Glenella, Lakeview, Langford, Lansdowne, McCreary, Minto, North Cypress, North Norfolk, Odanah, Portage la Prairie, Rosedale and Westbourne, the Towns of Gladstone and Neepawa and the Village of MacGregor. There are eight Sub-Districts, determined by the drainage basins of the major tributaries of the Whitemud River. There are 67 Sub-District Members who act in an advisory capacity to the main Board, with each Committee Chairperson sitting on the Board.

WHITEMUD WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2003-04

| SUB-DISTRICT | CHAIRPERSON | ADDRESS |
|---|---|---|
| #35 - Rat Creek | Tom Tunski | Rossendale |
| #36 - Westbourne Drain | Bill Wieler | MacGregor |
| #37 - Squirrel Creek | Minnie Parynuik | MacGregor |
| #38 - Pine Creek | Roy McConnell | Gladstone |
| #39 - Upper Whitemud | Wayne Csversko | Neepawa |
| #40 - Boggy Creek | Wes Pankratz | Minnedosa |
| #42 - Big Grass Marsh | Einar Sigurdson | Lakeland |
| #43 - Big Grass River | Danny Post | Waldersee |
| Provincial Appointee | Bud G. Johnson | Neepawa |
| Board Chairperson | Robert Rodgers | MacGregor |

## Summary

The WWCD continued to pursue efficiencies and cost savings within its program in 2003-04. The staff component was reduced as well as modifications to program delivery to allow more projects at a lessened cost. Savings were found in the administration of the Soils, Wildlife Programs and infrastructure management.

Placing large emphasis on water management, an agreement was reached with Manitoba Conservation to continue drainage licensing management following the end of the highly successful drainage pilot project. Over 50 files were finalized.

As well, the District studied and planned for the establishment of five backflood projects covering over 5½ sections.

In the Water Control Program, 976 km of drainage channels were mowed, 39 km of drains were reconstructed, seven grassed runways were completed and 12 creek fencing projects to improve riparian areas were constructed. Eighty-seven bridge and culvert crossings were repaired and 19 crossings were replaced. Replaced three crossings and repaired one crossing under the terms and conditions of the Memorandum of Understanding on Provincial Road/Provincial Trunk

Highway crossings.

Soil conservation initiatives saw 55 landowners seed down 1,017 ha of erosion risk soils to forages and 32 km of field shelterbelts planted. Ken and Adrene Schmidt won the Conservation Farm Family Award. Shelterbelt awards were presented to Jim Andersen, Walter Hussey and Dan Mack.

Sponsored a number of conservation education initiatives with area schools, highlighted by the "Johnny Appleseed" Program, which provided 250 apple trees to Grade 5 students in 27 area schools.

Received over 4,500 calls and met on-site with over 500 residents.

## TOTAL EXPENDITURES 2003-04

| Activity | Expenditure |
|---|---|
| Water Management | |
| Maintenance | $427,458 |
| Water Retention | 12,074 |
| Drainage Management | 16,351 |
| Surveys | 7,360 |
| Crossings | |
| Repairs | 75,246 |
| Replacements | 135,134 |
| PR/PTH | 27,704 |
| Soil Conservation | 101,916 |
| Wildlife and Fisheries | 81,591 |
| Public Education | 94,757 |
| Administration | |
| Program Support / Planning | 50,842 |
| Office Operation | 46,374 |
| Assets | |
| Infrastructure Reserve Account | 43,558 |
| Other | 10,119 |
| TOTAL | $1,130,484 |

For further details see Auditor's Report, Appendix F.

## Water Management

The Water Management Program includes the responsibility for the maintenance and reconstruction of 1,760 km of man made drains. It also includes the repair and replacement of bridges and culvert crossings (1,265 in total). Other water management activities include construction of grassed runways to prevent soil erosion, small dam construction to store water, shale trap installation to prevent channel sedimentation and gully stabilization projects. In partnership with Manitoba Conservation, completed water quality sampling along the Whitemud River.

In addition to the drainage pilot project, the District advanced its Water Retention Concept in 2003 by surveying five potential sites to determine project feasibility.

Each Sub-District implemented one or more specified projects within its area. They are as follows:

**Sub-District #35:**

- One crossing replaced.
- Maintenance on nine crossings.
- Beaver Dam Program.
- Reshaping done on Adam, Rat Creek and Wolfe Drains.
- Constructed a shale trap.
- Mowing and spraying maintenance.
- Surveys obtained on three other District projects by Province of Manitoba.
- A water retention study obtained for a Rossendale Project.

**Sub-District #36:**

- Maintenance on seven crossings.
- Two crossings replaced.
- Surveyed three other District projects.
- Reshaping done on Anderson Drain.
- Mowing and spraying maintenance.

**Sub-District #37:**

- Maintenance done on eight crossings.
- Control of leafy spurge and small shrubs.
- Two crossings replaced.
- Reshaping done on Jensen Drain.
- Mowing maintenance.
- Surveyed two other District projects.

**Sub-District #38:**

- Maintenance on six crossings.
- Beaver Dam Program, installation of a beaver deceiver.
- Control of leafy spurge and small shrubs.
- Mowing maintenance.
- Two crossings replaced.
- Maintenance on a small retention project.

**Sub-District #39:**

- Maintenance on 15 crossings.
- Control of leafy spurge and small shrubs.
- Three crossings replaced.
- Six runways worked on.
- Beaver Dam Program.
- Mowing maintenance.
- Three drains worked on.
- Hand brushing on two District projects.
- Surveys obtained on two other projects.

**Sub-District #40:**

- Worked on six runways.
- Maintenance on two crossings.
- Mowing maintenance.
- Beaver dam maintenance.
- One drain worked on.
- Survey obtained on one other drain.

**Sub-District #42:**

- Maintenance on 17 crossings.

- Control of leafy spurge.
- Two crossings replaced.
- Cleanout on Provincial Road (PR) 567, Watson, Sollner, Pembrooke (alternate) and Jordan Drains.
- Mowing maintenance.
- Yard/Dyke Program - constructed two dykes.
- Beaver Dam Program.
- Surveys obtained on another five drains for proposed works.
- Two PR/Provincial Trunk Highway crossings replaced.
- Bank stabilization on Big Grass Drain.
- Working on alternate access, when existing structure is to be rationalized.
- Purchase additional land for alternate access.

**Sub-District #43:**

- Maintenance on 22 crossings.
- Mowing, small shrub spraying and hand brushing.
- Seven crossings replaced.
- Cleanout of Walker, Alonsa (levelling), Glencairn, Turko, Glenella, Preisentanz, Gork, Correction Line and Jumping Deer drains.
- Beaver dam removed.
- Four shale traps constructed.
- Finished 2" x 4" top on bridge deck.
- Surveys obtained on another six proposed works.
- One PR/PTH crossing replaced.
- One PR/PTH crossing repaired.
- One runway worked on.

## Soil Conservation

**Forage Assistance Program:** There were 1,017 ha seeded to forage by 55 landowners. Cost sharing was 75% landowner and 25% District.

**Shelterbelt Assistance Program:** There were 33 km of new plantings, including field shelterbelts, wildlife tree plantings and block tree plantings. There was 77 km of shelterbelt weed control completed. Shelterbelt Awards were presented to Jim Andersen, Walter Hussey and Dan Mack.

**Riparian Program:** Three "Healthy Streambanks" Projects were developed to promote livestock management and improved riparian areas within the Whitemud River Watershed.

## Wildlife and Habitat Programs

**Wildlife Habitat Preservation:** One new wildlands project was established and six signs relocated and six were replaced. Twelve riparian projects were completed in the Upper Whitemud Basin Study area. This study identified over 50 potential projects to improve habitat, wildlife and farming practices along Stoney Creek, Boggy Creek and Brookdale Drains.

## Public Education and Extension Services

- Sixty-one Boy Scouts planted 4,000 trees north of Arden.
- Tree plantings at Neepawa and Eden Schools.
- Two hundred fifty Grade 5 students received 5 foot apple trees.
- Whitemud Newsletter distributed to all households.
- District appeared in print media over 50 times.
- Utilized radio advertising for programs and promotion.
- Over 15 presentations/tours given.
- Conservation magazine subscriptions purchased for 12 school libraries.
- The 32nd Annual Whitemud Bonspiel was held.
- Met once with all 18 councils in District.
- Distribution of District placemats (20,000).
- Updating and printing of Rosedale Farm brochures.

## External Funding

The Board had an excellent year regarding cooperative partnership projects and external funding assistance. A summary is as follows:

| Program/Partner | | Funding |
|---|---|---|
| Hometown Green Team | | $2,247 |
| Fisheries Enhancement Initiative | | 57,631 |
| PR/PTH MOU with Water Stewardship | | 27,704 |
| Manitoba Habitat Heritage Corporation | | 13,857 |
| AAFC - Prairie Farm Rehabilitation Administration (Water Retention) | | 1,386 |
| Manitoba Water Stewardship (Survey) | | 5,520 |
| AAFC (Rosedale Farm) | | 5,000 |
| Farming For Tomorrow | | 2,162 |
| | TOTAL | $115,507 |

## Program Management

This program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and operating costs. Staffing remained unchanged for 2003-04.

# ALONSA CONSERVATION DISTRICT NO. 3

## FINANCIAL STATEMENTS

## MARCH 31, 2004

## ALONSA CONSERVATION DISTRICT NO. 3

## MARCH 31, 2004

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chartered accountants LLP

## AUDITORS' REPORT

To the Members of the Board
Alonsa Conservation District No. 3
Alonsa, Manitoba

We have audited the balance sheet of Alonsa Conservation District No. 3 as at March 31, 2004 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2004 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
July 7, 2004

[illegible] Winnipeg, Manitoba [illegible]
Telephone [illegible] Fax [illegible]
[illegible] Website www.[illegible]

# ALONSA CONSERVATION DISTRICT NO. 3

## BALANCE SHEET
## AS AT MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Bank and term deposit | $ 74,473 | $ 70,737 |
| Accounts receivable | | |
| General | 38,475 | 49,159 |
| Province of Manitoba, page 10 | 531 | 316 |
| | 113,479 | 120,212 |
| CAPITAL ASSETS, notes 2 and 3 | 11,503 | 3,638 |
| | $ 124,982 | $ 123,850 |
| **LIABILITIES** | | |
| CURRENT | | |
| Unexpended grants, note 4 | $ 81,149 | $ 68,986 |
| EMERGENCY RESERVE | 20,000 | 10,000 |
| | 101,149 | 78,986 |
| **NET ASSETS** | | |
| INVESTED IN CAPITAL ASSETS | 11,503 | 3,638 |
| UNRESTRICTED | 12,330 | 41,226 |
| | 23,833 | 44,864 |
| | $ 124,982 | $ 123,850 |

COMMITMENTS, note 5

APPROVED BY THE BOARD:

Edward Zien ______________ Chairman

Tammy North ______________ Member

## ALONSA CONSERVATION DISTRICT NO. 3

## STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2004

| | Invested in Capital Assets | Unrestricted | Total 2004 | Total 2003 |
|---|---|---|---|---|
| BALANCE, beginning of year | $ 3,638 | $ 41,226 | $ 44,864 | $ 7,121 |
| Excess (deficiency) of revenue over expenditures | (3,435) | (17,596) | (21,031) | 37,743 |
| Investment in capital assets | 11,300 | (11,300) | - | - |
| BALANCE, end of year | $ 11,503 | $ 12,330 | $ 23,833 | $ 44,864 |

## ALONSA CONSERVATION DISTRICT NO. 3

## STATEMENT OF REVENUE AND EXPENDITURES
## YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| REVENUE | | |
| Province of Manitoba allocated grant | $ 240,215 | $ 205,435 |
| Municipal grants | 80,000 | 66,105 |
| Farmer assistance revenue | 30,815 | 51,128 |
| Grant revenue, page 8 | 80,273 | 85,290 |
| Sundry | 1,667 | 848 |
| | 432,970 | 408,806 |
| EXPENDITURES | | |
| Project expenditures, page 8 | 253,987 | 179,562 |
| Board remuneration and expense | 20,825 | 16,378 |
| Other administration | 33,898 | 28,274 |
| Depreciation | 3,435 | 2,499 |
| MCDA dues | 3,000 | 3,740 |
| Soils | 72,517 | 87,474 |
| Public relations and education | 15,376 | 13,977 |
| Summer Career, Partners with Youth, and Green Team programs | 23,248 | 28,864 |
| Fisheries | 18,263 | 5,415 |
| Wildlife | 13,995 | 7,636 |
| GST recovered | (6,663) | (3,862) |
| Professional development | 2,120 | 1,106 |
| | 454,001 | 371,063 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | $ (21,031) | $ 37,743 |

## ALONSA CONSERVATION DISTRICT NO. 3

## STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| Cash flow from operations | | |
| Cash received from provincial, municipal, and other grants | $ 412,436 | $ 416,898 |
| Cash received from other sources | 43,166 | 34,661 |
| Cash paid to projects, suppliers and employees | (450,566) | (368,564) |
| Cash flow from operations | 5,036 | 82,995 |
| Cash flow from investing activities | | |
| Purchase of capital assets | (11,300) | - |
| Increase in Emergency Reserve | 10,000 | - |
| Cash flow from investing activities | (1,300) | - |
| INCREASE IN CASH | 3,736 | 82,995 |
| CASH (BANK INDEBTEDNESS) - beginning of year | 70,737 | (12,258) |
| CASH - end of year | $ 74,473 | $ 70,737 |

## NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

## 1. NATURE OF ORGANIZATION

The District was established in February 1978. Its mandate is to provide soil and water management decisions on resource conservation and environmental awareness for the area along the western shores of Lake Manitoba.

## 2. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policy summarized below:

(a) Depreciation

Depreciation on equipment is calculated on a straight-line basis at 15% and on the computer equipment at 25% per annum and prorated in the year of acquisition.

## 3. CAPITAL ASSETS

| | Cost | Accumulated Depreciation | 2004 Net Book Value | 2003 Net Book Value |
|---|---|---|---|---|
| Office equipment | $ 63,160 | $ 52,199 | $ 10,961 | $ 2,466 |
| Computer hardware | 10,542 | 10,000 | 542 | 1,172 |
| | $ 73,702 | $ 62,199 | $ 11,503 | $ 3,638 |

## 4. UNEXPENDED GRANTS

| | 2004 | 2003 |
|---|---|---|
| Ducks Unlimited | $ 3,483 | $ 3,483 |
| Fisheries Inventory Project | 11,000 | 12,170 |
| Infrastructure Reserve Fund | 66,666 | 53,333 |
| | $ 81,149 | $ 68,986 |

## 5. COMMITMENTS

The District has entered into an agreement to lease a 2002 Dodge truck. This lease calls for monthly payments of $538 expiring March, 2006. Future minimum lease payments are:

| | | |
|---|---|---|
| 2005 | $ | 6,546 |
| 2006 | | 6,546 |

# ALONSA CONSERVATION DISTRICT NO. 3

## SCHEDULE OF GRANT REVENUE AND PROJECT EXPENDITURES
## YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---:|---:|
| GRANT REVENUE | | |
| Summer Career Placement Program | $ - | $ 1,494 |
| Emergency Measures - Flood | - | 41,071 |
| Manitoba Hydro - Forestry | - | 3,248 |
| Green Team Program | 10,405 | 10,350 |
| Fisheries Enhancement Fund | 1,170 | 11,280 |
| Birdwatchers Fund | 2,118 | 1,347 |
| Canadian Nature Federation - Woodpecker project | 1,500 | 1,500 |
| SDIF Projects | - | 15,000 |
| Province of Manitoba - Infrastructure project | 60,000 | - |
| Fish Futures Inc. | 5,080 | - |
| | $ 80,273 | $ 85,290 |
| PROJECT EXPENDITURES | | |
| Amaranth Marsh Project | $ 382 | $ 2,391 |
| Forestry | 2,646 | 2,241 |
| Structure Replacement | 81,695 | - |
| Fisheries Habitat Enhancement | 16,176 | 10,330 |
| SDIF Projects | 1,324 | 11,663 |
| Miscellaneous crossing repairs | 29,260 | 34,088 |
| Water | 39,817 | 32,742 |
| Channel Maintenance | 38,114 | 57,358 |
| Channel Maintenance - Beavers | 11,235 | 11,272 |
| Trail Maintenance | 4,025 | 4,459 |
| GIS / Inventories plotting | 20,189 | 8,586 |
| On-Site Program | 9,124 | 4,432 |
| | $ 253,987 | $ 179,562 |

## ALONSA CONSERVATION DISTRICT NO. 3

## SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2004
(Unaudited)

| | Total | % Shareable Prov./Dist./ External | Province Share | District Share | External Share |
|---|---|---|---|---|---|
| PROJECTS AND PROGRAMS | | | | | |
| Trails Maintenance | $ 2,670 | 75/25/0 | $ 2,003 | $ 667 | $ - |
| Educational Projects/Tours | 1,884 | 75/25/0 | 1,413 | 471 | - |
| Public Relations and Education | 13,491 | 75/25/0 | 10,119 | 3,372 | - |
| MCDA Dues | 3,000 | 75/25/0 | 2,250 | 750 | - |
| GIS Education | 339 | 75/25/0 | 254 | 85 | - |
| On-Site Placement Program | 9,123 | 75/25/0 | 6,843 | 2,280 | - |
| Green Team | 23,248 | 41/14/45 | 9,633 | 3,210 | 10,405 |
| Forage Assistance | 61,603 | 37/63/0 | 22,500 | 39,103 | - |
| Shelterbelt/Community Trees | 1,460 | 75/25/0 | 1,095 | 365 | - |
| Soils Programming | 1,084 | 75/25/0 | 813 | 271 | - |
| Soils Projects | | | | | |
| - Pasture Projects | 2,710 | 75/25/0 | 2,032 | 678 | - |
| - Riparian Projects | 7,120 | 75/25/0 | 5,340 | 1,780 | - |
| - Leafy Spurge Project | 382 | 75/25/0 | 286 | 96 | - |
| - Backflood Projects | 1,185 | 75/25/0 | 889 | 296 | - |
| - Rot. Grazing/Grassed Waterways | 1,524 | 75/25/0 | 1,143 | 381 | - |
| Pickerel Spawning Project | 9,317 | 75/25/0 | 6,988 | 2,329 | - |
| Fisheries Habitat Inventory | 16,176 | 70/23/7 | 11,255 | 3,752 | 1,169 |
| Integrated Habitat Planning | 5,175 | 75/25/0 | 3,881 | 1,294 | - |
| Incentive Program | 3,345 | 75/25/0 | 2,509 | 836 | - |
| Habitat Preservation | 677 | 75/25/0 | 508 | 169 | - |
| Sucker Creek Habitat | 8,945 | 32/11/57 | 2,899 | 966 | 5,080 |
| Woodpecker Habitat | 3,069 | 38/13/49 | 1,177 | 392 | 1,500 |
| Turtle Project | 205 | 75/25/0 | 154 | 51 | - |
| Channel maintenance | 38,114 | 75/25/0 | 28,585 | 9,529 | - |
| Channel maintenance-beavers | 11,235 | 75/25/0 | 8,426 | 2,809 | - |
| Land Management/Surveys | 12,548 | 75/25/0 | 9,411 | 3,137 | - |
| Well Capping Program | 5,155 | 75/25/0 | 3,866 | 1,289 | - |
| Werbski Drain Project | 6,793 | 75/25/0 | 5,096 | 1,697 | - |
| Methley Drain Project | 1,324 | 75/25/0 | 993 | 331 | - |
| Duggan Drain Project | 3,870 | 75/25/0 | 2,902 | 968 | - |
| GIS Information Project | 5,350 | 75/25/0 | 4,012 | 1,338 | - |
| S.D.#160 - Rip-Rapping | 678 | 75/25/0 | 508 | 170 | - |
| S.D.#160 - Lee/Parsons/ Duggan | 5,780 | 75/25/0 | 4,335 | 1,445 | - |

## ALONSA CONSERVATION DISTRICT NO. 3

## SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2004
(Unaudited)

| | Total | % Shareable Prov./Dist./ External | Province Share | District Share | External Share |
|---|---|---|---|---|---|
| S.D.#157 - Zamrykut Cr. Ext. | 5,955 | 75/25/0 | 4,466 | 1,489 | - |
| S.D.#110 - Zalluski Ext./ Edwards | 881 | 75/25/0 | 661 | 220 | - |
| S.D.#107 - Werbiski Cr. | 4,626 | 75/25/0 | 3,469 | 1,157 | - |
| S.D.#113 - R.Wilkinson Cr. | 678 | 75/25/0 | 508 | 170 | - |
| GPS/GIS Infrastructure | 6,775 | 75/25/0 | 5,081 | 1,694 | - |
| Infrastructure Inventory and GIS | 13,075 | 75/25/0 | 9,806 | 3,269 | - |
| Infrastructure Reserve Fund | 13,333 | 75/25/0 | 10,000 | 3,333 | - |
| | 313,902 | | 198,109 | 97,639 | 18,154 |
| PROGRAM SUPPORT | | | | | |
| Board remuneration | 20,825 | 75/25/0 | 15,619 | 5,206 | - |
| Office Operation | 19,240 | 75/25/0 | 14,430 | 4,810 | - |
| 100% Board administration | 521 | 0/100/0 | - | 521 | - |
| Program Support/Planning | 14,137 | 75/25/0 | 10,603 | 3,534 | - |
| | 54,723 | | 40,652 | 14,071 | - |
| OTHER PROGRAMS | | | | | |
| A. Robertson Museum | 7,864 | 0/0/100 | - | - | 7,864 |
| Infrastructure replacement | 81,695 | 2/25/73 | 1,271 | 20,424 | 60,000 |
| Prof./Proj. development and legal advice | 2,120 | 75/25/0 | 1,590 | 530 | - |
| Equipment repair / lease | 3,432 | 75/25/0 | 2,574 | 858 | - |
| GST refund | (6,662) | 75/25/0 | (4,997) | (1,665) | - |
| | 88,449 | | 438 | 20,147 | 67,864 |
| ASSETS | | | | | |
| Equipment/Supplies | 1,355 | 75/25/0 | 1,016 | 339 | - |
| Non-cost shared depreciation | 3,435 | 0/100/0 | - | 3,435 | - |
| | 4,790 | | 1,016 | 3,774 | - |
| TOTAL | $ 461,864 | | $ 240,215 | $ 135,631 | $ 86,018 |
| PERCENTAGE OF COSTS | 100 % | | 52 % | 29 % | 19 % |

## ALONSA CONSERVATION DISTRICT NO. 3

## SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| Provincial Grant | $ 240,000 | $ 240,000 |
| Less, receivable, beginning of year | 316 | 34,881 |
| | 239,684 | 205,119 |
| Less: Provincial allocation | 240,215 | 205,435 |
| Receivable, end of year | $ 531 | $ 316 |

# COOKS CREEK
# CONSERVATION DISTRICT NO. 5

## FINANCIAL STATEMENTS

## MARCH 31, 2004

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4 Statement of Changes in Surplus

5 Statement of Revenue and Expenditures

6 Statement of Cash Flows

7 - 8 Notes to Financial Statements

9 - 10 Schedule of Expenditures

11 Schedule of Cost Sharing

**Jim M. Smith**
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Box 580
Winkler, Manitoba
R6W 4A7

# AUDITOR'S REPORT

## TO THE MEMBERS:
## COOKS CREEK CONSERVATION DISTRICT NO. 5

I have audited the statement of financial position of Cooks Creek Conservation District No. 5 as at March 31, 2004 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $331,681. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit and surplus.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to the balance of the unfunded deficit described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2004 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jim M Smith

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 18, 2004

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## STATEMENT OF FINANCIAL POSITION

## MARCH 31, 2004

## ASSETS

| | 2004 | 2003 | 2002 |
|---|---|---|---|
| **CURRENT** | | | |
| Cash and term deposits | $ 159,217 | $ 293,918 | $ 3,510 |
| Accounts receivable (note 3) | 6,445 | 16,467 | 11,045 |
| Prepaid expense | - | 2,347 | 1,257 |
| | 165,662 | 312,732 | 15,812 |
| **CAPITAL (note 2c)** | 30,361 | 30,361 | 30,361 |
| **INVESTMENT (note 5)** | 1,000 | 9,000 | 9,000 |
| **UNFUNDED DEFICIT (note 4)** | 331,681 | 331,681 | 331,681 |
| **WILDLIFE HABITAT AREA (note 6)** | 296,000 | - | - |
| | $ 824,704 | $ 683,774 | $ 386,854 |

APPROVED BY

George Nakaly Director

Ron Dubozky Director

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## STATEMENT OF FINANCIAL POSITION

## MARCH 31, 2004

## LIABILITIES

| | 2004 | 2003 | 2002 |
|---|---|---|---|
| **CURRENT** | | | |
| Accounts payable | $ 2,726 | $ 5,436 | $ 16,871 |
| Unearned revenue (note 7) | 150,000 | 305,338 | - |
| | 152,726 | 310,774 | 16,871 |
| **RESERVE FUND** | 20,008 | 10,010 | - |
| | 172,734 | 320,784 | 16,871 |

## SURPLUS

| | 2004 | 2003 | 2002 |
|---|---|---|---|
| **RESTRICTED (note 6)** | 296,000 | - | - |
| **SURPLUS (page 4)** | 355,970 | 362,990 | 369,983 |
| | $ 824,704 | $ 683,774 | $ 386,854 |

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## STATEMENT OF CHANGES IN SURPLUS

## FOR THE YEAR ENDED MARCH 31, 2004

| | **2004** | 2003 | 2002 |
|---|---|---|---|
| Surplus, beginning of year | **$ 362,990** | $ 369,983 | $ 435,442 |
| Excess (deficiency) of revenue over expenditures | **10,978** | 3,017 | (65,459) |
| Transfer to reserve fund | **(9,998)** | (10,010) | - |
| Write-down of investment to estimated realizable value | **(8,000)** | - | - |
| **SURPLUS, END OF YEAR** | **$ 355,970** | $ 362,990 | $ 369,983 |

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## STATEMENT OF REVENUE AND EXPENDITURES

## FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 | 2002 |
|---|---|---|---|
| **REVENUE** | | | |
| Municipal levies | | | |
| Rural Municipality of Brokenhead | $ 249 | $ 249 | $ 282 |
| Rural Municipality of Ste. Anne | 2,883 | 2,883 | 1,984 |
| Rural Municipality of Springfield | 121,334 | 121,334 | 116,224 |
| Rural Municipality of Tache | 7,261 | 7,261 | 7,027 |
| Provincial grants | | | |
| Rural Development | 260,000 | 245,000 | 205,000 |
| Other funding | 24,346 | 38,239 | 17,079 |
| GIS partnership | - | - | 3,000 |
| Canada Employment | - | - | 2,168 |
| Cost sharing - Salmon Lake study | - | 10,479 | 200 |
| Drainage and crossing projects | | | |
| Rural Municipality of Brokenhead | - | 2,500 | - |
| Rural Municipality of Springfield | 185,338 | 247,351 | 246,496 |
| Manitoba Conservation | - | 950 | 13,500 |
| Manitoba Environment | - | - | 11,166 |
| Manitoba Water Services Board | | | |
| Special crossings infrastructure fund | 75,000 | - | 195,000 |
| National soils and PFRA | 3,100 | 1,429 | 1,926 |
| Donations | 350 | 2,100 | - |
| Interest income | 3,898 | 1,135 | 1,092 |
| | 683,759 | 680,910 | 822,144 |
| **EXPENDITURES** | | | |
| Administration (page 9) | 68,569 | 91,844 | 91,751 |
| Public education (page 9) | 61,503 | 38,123 | 13,931 |
| Assets (page 9) | 2,181 | 5,468 | 4,675 |
| District programs (page 10) | 540,528 | 542,458 | 777,246 |
| | 672,781 | 677,893 | 887,603 |
| **EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES** | $ 10,978 | $ 3,017 | $ (65,459) |

## COOKS CREEK CONSERVATION DISTRICT NO. 5

### STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 | 2002 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Excess (deficiency) of revenue over expenditures | $ 10,978 | $ 3,017 | $ (65,459) |
| Changes in non-cash working capital (note 8) | (145,679) | 287,391 | 21,114 |
| Decrease in investment | 8,000 | - | - |
| Write-down of investment to estimated net realizable value | (8,000) | - | - |
| **NET INCREASE (DECREASE) IN CASH** | (134,701) | 290,408 | (44,345) |
| Cash at beginning of year | 293,918 | 3,510 | 47,855 |
| **CASH AT END OF YEAR** | $ 159,217 | $ 293,918 | $ 3,510 |

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## NOTES TO FINANCIAL STATEMENTS

## MARCH 31, 2004

### 1. PURPOSE OF THE ORGANIZATION

Cooks Creek Conservation District No.5 is a not-for-profit organization funded primarily by local municipalities and the Province of Manitoba. The purpose of the organization is to manage the natural resources located within its boundaries in such a way that they are passed on to future generations in the same or better condition than at present.

### 2. SIGNIFICANT ACCOUNTING POLICIES

a) **Inventories**

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

b) **Income taxes**

Cooks Creek Conservation District No. 5 is a not-for-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization of capital assets is no longer being provided for in the District's records.

### 3. ACCOUNTS RECEIVABLE

| | **2004** | 2003 | 2002 |
|---|---|---|---|
| Goods and services tax | **$ 6,445** | $ 6,488 | $ 11,045 |
| Manitoba Conservation | - | 9,979 | - |
| | **$ 6,445** | $ 16,467 | $ 11,045 |

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## NOTES TO FINANCIAL STATEMENTS

## MARCH 31, 2004

### 4. UNFUNDED DEFICIT

The unfunded deficit represents expenditures incurred in years prior to 2002 that exceeded amounts for which funding was received from the Province. Expenditures are normally cost-shared with the Province.

### 5. INVESTMENT

In 1998 the District purchased GIS software and invested in a GIS partnership fund. The investment is stated at estimated net realizable value.

### 6. WILDLIFE HABITAT AREA/RESTRICTED SURPLUS

In June, 2003 the District received a donation of ecologically sensitive land estimated by Environment Canada to have a fair market value of $296,000. Use of the land has been restricted by the donor to a wildlife habitat area.

### 7. UNEARNED REVENUE

Represents funding received from the Rural Municipality of Springfield for the Oakbank CPR drain project. The project will be completed in the 2005 fiscal year.

### 8. CHANGES IN NON-CASH WORKING CAPITAL

| | **2004** | 2003 | 2002 |
|---|---|---|---|
| Increase (decrease) in cash from changes in: | | | |
| Accounts receivable | **$ 10,022** | $ (5,422) | $ 5,295 |
| Prepaid expense | **2,347** | (1,089) | (898) |
| Accounts payable | **(2,710)** | (11,436) | 16,717 |
| Unearned revenue | **(155,338)** | 305,338 | - |
| | **$ (145,679)** | $ 287,391 | $ 21,114 |

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## SCHEDULE OF EXPENDITURES

## FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 | 2002 |
|---|---|---|---|
| **ADMINISTRATION** | | | |
| Administrator assistant wages | $ - | $ - | $ 1,376 |
| Administrator wages and expenses | 28,791 | 30,606 | 27,208 |
| Audit and legal | 1,655 | 1,283 | 1,210 |
| Board expenses (100%) | - | - | 5 |
| Board remuneration and expenses | 2,048 | 7,814 | 15,168 |
| Insurance | 2,287 | 2,040 | 785 |
| Manager expenses | 2,442 | 1,833 | - |
| Manager salary and benefits (portion only) | 15,434 | 27,905 | 30,772 |
| Office cleaning | 2,640 | 3,380 | - |
| Office operation | 4,856 | 8,683 | 4,060 |
| Printing, postage and stationery | 2,613 | 4,092 | 2,620 |
| Rent | - | - | 4,862 |
| Utilities | 5,803 | 4,208 | 3,685 |
| | $ 68,569 | $ 91,844 | $ 91,751 |
| **PUBLIC EDUCATION** | $ 61,503 | $ 38,123 | $ 13,931 |
| **ASSETS** | $ 2,181 | $ 5,468 | $ 4,675 |

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## SCHEDULE OF EXPENDITURES

## FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 | 2002 |
|---|---|---|---|
| **DISTRICT PROGRAMS** | | | |
| **SOILS** | | | |
| Grassed runway | $ 7,651 | $ - | $ - |
| **WILDLIFE/FISHERIES** | | | |
| Wildlife habitat | 8,695 | 7,347 | - |
| **FORESTRY** | | | |
| Tree program | 988 | - | - |
| **WATER** | | | |
| Maintenance | 132,493 | 158,897 | 103,133 |
| Engineering and management | - | - | 19,659 |
| Reconstruction | 77,851 | 74,833 | 57,159 |
| Tributary drains | 116,764 | 234,662 | 554,424 |
| Water retention studies | 3,575 | 10,163 | 8,634 |
| **CROSSINGS** | | | |
| Repairs/replacements | 175,767 | 34,945 | 16,570 |
| **OTHER** | | | |
| Abandoned wells | 9,366 | 4,288 | 5,779 |
| Creek water quality testing | - | - | 11,888 |
| Drainage licensing | 4,950 | 15,677 | - |
| Subdivisions/public relations | 2,428 | 1,646 | - |
| | $ 540,528 | $ 542,458 | $ 777,246 |

# COOKS CREEK CONSERVATION DISTRICT NO. 5

## SCHEDULE OF COST SHARING

## FOR THE YEAR ENDED MARCH 31, 2004

| | Revised Budget (Unaudited) | Total Expenditures | External | Provincial | Local | |
|---|---|---|---|---|---|---|
| | | | | | Levy | Other |
| **ADMINISTRATION** | | | | | | |
| Office operation | $ 25,000 | $ 19,854 | $ - | $ 11,967 | $ 3,989 | $ 3,898 |
| Program support/planning | 61,800 | 48,715 | - | 34,867 | 13,848 | - |
| | 86,800 | 68,569 | - | 46,834 | 17,837 | 3,898 |
| **ASSETS - EQUIPMENT** | 5,000 | 2,181 | - | 1,373 | 458 | 350 |
| **PUBLIC EDUCATION** | 42,000 | 61,503 | - | 45,493 | 15,165 | 845 |
| **SOILS** | 11,000 | 7,651 | - | 5,738 | 1,913 | - |
| **WILDLIFE/FISHERIES** | 7,500 | 8,695 | - | 3,723 | 1,241 | 3,731 |
| **FORESTRY** | 1,000 | 988 | - | 741 | 247 | - |
| **WATER** | | | | | | |
| Maintenance | 156,000 | 132,493 | 116 | 76,460 | 55,917 | - |
| Reconstruction | 21,000 | 77,851 | - | 28,388 | 9,463 | 40,000 |
| Tributary drains | 400,000 | 116,764 | - | - | 1,426 | 115,338 |
| Studies/dyking | 10,000 | 3,575 | - | 2,681 | 894 | - |
| | 587,000 | 330,683 | 116 | 107,529 | 67,700 | 155,338 |
| **CROSSINGS** | | | | | | |
| Repairs/replacements | 39,000 | 71,734 | 2,105 | 38,823 | 12,940 | 17,866 |
| Special crossing program | 100,000 | 104,033 | 75,000 | - | - | 29,033 |
| | 139,000 | 175,767 | 77,105 | 38,823 | 12,940 | 46,899 |
| **OTHER** | | | | | | |
| Drainage licensing | 20,000 | 4,950 | - | 3,713 | 1,237 | - |
| Sealing wells | 8,000 | 9,366 | 3,100 | 4,212 | 1,404 | 650 |
| Subdivisions/public relations | 4,500 | 2,428 | - | 1,821 | 607 | - |
| | 32,500 | 16,744 | 3,100 | 9,746 | 3,248 | 650 |
| **TOTAL EXPENDITURES** | $ 911,800 | $ 672,781 | $ 80,321 | $ 260,000 | $ 120,749 | $ 211,711 |
| **TOTAL EXPENDITURES (%)** | | 100 | 12 | 39 | 18 | 31 |

| **PROVINCIAL GRANT RECEIVABLE/PAYABLE SUMMARY** | |
|---|---|
| 2002/2003 Grant received | $ 260,000 |
| Less: share of expenditures | (260,000) |
| | $ - |

Appendix C

ZAPLITNY & ZAMRYKUT
Chartered Accountants

F.D. Zaplitny, C.A.
D.A. Zamrykut, B.Comm., C.A.
S.D. Love, B.Comm., C.A.

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# INTERMOUNTAIN CONSERVATION DISTRICT

## CONSERVATION DISTRICT #2

## FINANCIAL STATEMENT

## As at March 31st, 2004

# AUDITORS' REPORT

We have audited the Statement of Financial Position of Intermountain Conservation District as at March 31st, 2004 and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31st, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
June 22nd, 2004

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Auditor's Report

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Notes to Financial Statements

(The accompanying notes are an integral part of these financial statements)

STATEMENT "1"

## INTERMOUNTAIN CONSERVATION DISTRICT

### STATEMENT OF FINANCIAL POSITION
### As at March 31st, 2004 and 2003

| | 2004 | 2003 |
|---|---|---|
| **ASSETS** | | |
| Current Assets - | | |
| Cash in Bank | $ 40,289 | 17,377 |
| Temporary Investments | 21,018 | 25,688 |
| Accounts Receivable | 10,461 | 28,512 |
| Province of Manitoba Receivable (Schedule 3) | 1,674 | 163 |
| Inventory (Note 2) | 14,492 | 9,704 |
| | 87,934 | 81,444 |
| Investments | 9,630 | 9,630 |
| Capital Assets (Note 3) | 135,951 | 111,167 |
| Total | $ 233,515 | 202,241 |
| **LIABILITIES** | | |
| Current Liabilities - | | |
| Deferred Contributions | $ 42,153 | 32,090 |
| Accounts Payable | 3,655 | 25,008 |
| Current Portion of Long-Term Debt | 14,496 | 8,300 |
| | 60,304 | 65,398 |
| Long-Term Debt (Note 4) | 43,089 | 31,728 |
| Total | 103,393 | 97,126 |
| **NET ASSETS** | | |
| Net Assets | 130,122 | 105,115 |
| Total | $ 233,515 | 202,241 |

Approved by the Board:

______________________ Director

______________________ Director

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

## INTERMOUNTAIN CONSERVATION DISTRICT

### STATEMENT OF CHANGES IN NET ASSETS
### As at March 31st, 2004 and 2003

| | 2004 | 2003 |
|---|---|---|
| Net Assets, Beginning of Year | $ 105,115 | 94,376 |
| Excess of Revenue Over/(Under) Expenditures | 25,007 | 10,739 |
| Net Assets, End of Year | $ 130,122 | 105,115 |

(The accompanying notes are an integral part of these financial statements)

STATEMENT "3"

## INTERMOUNTAIN CONSERVATION DISTRICT

## STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2004 and 2003

| | | 2004 | 2003 |
|---|---|---|---|
| Revenue - | | | |
| Municipal Levies | $ | 54,508 | 49,627 |
| Town Levies | | 18,954 | 14,707 |
| Provincial Grant | | 201,511 | 174,953 |
| Land Owner | | 24,437 | 41,017 |
| Other Revenue | | 32,603 | 17,410 |
| | | 332,013 | 297,714 |
| Expenditures (Schedule "1") | | 307,006 | 286,975 |
| Excess of Revenue Over/(Under) Expenditures | $ | 25,007 | 10,739 |

(The accompanying notes are an integral part of these financial statements)

STATEMENT "4"

## INTERMOUNTAIN CONSERVATION DISTRICT

## STATEMENT OF CASH FLOWS
For the Years Ended March 31st, 2004 and 2003

| | | 2004 | 2003 |
|---|---|---|---|
| Cash Provided by (Used in) Operating Activities - | | | |
| Excess of Revenue Over Expenditure | $ | 25,007 | 10,739 |
| Non-Cash Items included in Expenditures | | | |
| Amortization | | 14,684 | 13,450 |
| | | 39,691 | 24,189 |
| Changes in Non-Cash Working Capital Components - | | | |
| Temporary Investments | | 4,670 | ( 5,356) |
| Accounts Receivable | | 16,540 | 10,248 |
| Inventory | | ( 4,788) | ( 7,235) |
| Current Liabilities | | ( 5,094) | ( 14,445) |
| | | 51,019 | 7,401 |
| Investing - | | | |
| Purchase of Capital Assets | | ( 39,468) | ( 3,197) |
| Repayment of Long-Term Debt | | ( 15,639) | ( 9,195) |
| Long-Term Debt Proceeds | | 27,000 | |
| Increase (Decrease) in Cash | | 22,912 | ( 4,991) |
| Cash, Beginning of Year | | 17,377 | 22,368 |
| Cash, End of Year | $ | 40,289 | 17,377 |

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "1"

## INTERMOUNTAIN CONSERVATION DISTRICT

### SCHEDULE OF EXPENDITURES
### For the Years Ended March 31st, 2004 and 2003

| | 2004 | 2003 |
|---|---|---|
| Expenditures - | | |
| Accounting and Legal | $ 3,395 | 1,545 |
| Advertising and Promotion | 4,908 | 8,457 |
| Amortization | 14,684 | 13,450 |
| Bad Debt Expense | 158 | 19 |
| Bank Charges | 2,238 | 2,472 |
| Creek Rehabilitation | | 742 |
| Grassed Waterways | 32,566 | 11,796 |
| IMCD Remuneration | 26,643 | 22,430 |
| Insurance | 5,776 | 6,341 |
| MCDA Dues and Licensing Fees | 3,000 | 3,000 |
| Office Expense | 9,563 | 9,187 |
| Public Relations & Education | 15,778 | 12,979 |
| Recreation and Tourism | 1,125 | |
| Pasture Pipeline | 12,570 | 13,341 |
| Livestock Watering Options | 1,956 | 849 |
| Office Repairs and Maintenance | 8,907 | 6,823 |
| Crossing & Riparian Works | 856 | 2,082 |
| Staff Wages and Benefits | 106,360 | 93,413 |
| Stream & Gully Stabilization | 25,747 | 24,770 |
| Field Gear | 2,316 | 369 |
| Utilities | 8,087 | 6,806 |
| Equipment & Vehicle Maintenance | 9,779 | 11,379 |
| Abandoned Wells | 6,968 | 1,384 |
| Forage Seed Program | 868 | 30,357 |
| Trees and Shelterbelts | 153 | 806 |
| Misc. Programs | 2,605 | 2,178 |
| Total Expenditures | $ 307,006 | 286,975 |

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "2"

## INTERMOUNTAIN CONSERVATION DISTRICT

## SCHEDULE OF COST SHARING
## For the Year Ended March 31st, 2004

| | Total Expenditures | Cost/Share | Provincial | Board | External |
|---|---|---|---|---|---|
| Administration - | | | | | |
| Utilities | $ 8,087.18 | 75/25 | 6,065.38 | 2,021.80 | |
| Facility Charge | 9,000.00 | 75/25 | 6,750.00 | 2,250.00 | |
| Office Operation | 19,375.20 | 68/32 | 13,175.14 | 6,200.06 | |
| Insurance | 2,281.57 | 75/25 | 1,711.18 | 570.39 | |
| Service Fees | 4,005.98 | 75/25 | 3,004.48 | 1,001.50 | |
| Total Administration | 42,749.93 | | 30,706.18 | 12,043.75 | |
| Public Relations & Education - | | | | | |
| Communications & Signage | 5,858.51 | 75/25 | 4,393.88 | 1,464.63 | |
| Ed/Sponsorship/Tours | 10,359.03 | 67/26/7 | 6,940.54 | 2,693.35 | 725.14 |
| MCDA Dues | 3,000.00 | 75/25 | 2,250.00 | 750.00 | |
| Meetings, Conventions, Etc. | 17,976.66 | 63/37 | 11,325.30 | 6,651.36 | |
| Demonstrations | 5,508.05 | 13/5/82 | 716.05 | 275.40 | 4,516.60 |
| Total Public Relations & Education | 42,702.25 | | 25,625.77 | 11,834.74 | 5,241.74 |
| Soil Management - | | | | | |
| Community Trees | 691.80 | 75/25 | 518.85 | 172.95 | |
| Forage Seed | 19,725.60 | 73/27 | 14,399.69 | 5,325.91 | |
| Pasture Pipeline | 16,341.43 | 27/73 | 4,412.19 | 11,929.24 | |
| Grassed Waterways | 63,276.91 | 65/33/2 | 41,129.99 | 20,881.38 | 1,265.54 |
| Total Soil Management | 100,035.74 | | 60,460.72 | 38,309.48 | 1,265.54 |
| Water Management - | | | | | |
| Streambank Stabilization | 39,976.45 | 68/28/4 | 27,183.99 | 11,193.40 | 1,599.06 |
| Creek Rehabilitation | 33,569.85 | 72/28 | 24,170.29 | 9,399.56 | |
| Riparian Works | 6,614.64 | 73/27 | 4,828.69 | 1,785.95 | |
| Valley River Mgmt Plan | 16,755.82 | 38/12/50 | 6,367.21 | 2,010.70 | 8,377.91 |
| IWMI | 3,803.22 | 75/25 | 2,852.42 | 950.80 | |
| Garland Watershed Access | 100.00 | 75/25 | 75.00 | 25.00 | |
| Vermillion Watershed Study | 10,000.00 | 75/25 | 7,500.00 | 2,500.00 | |
| Abandoned Wells | 10,771.20 | 62/38 | 6,678.14 | 4,093.06 | |
| Total Water Management | 121,591.18 | | 79,655.74 | 31,958.47 | 9,976.97 |
| Fish & Wildlife - | | | | | |
| Habitat Enhancement | 2,495.88 | 75/25 | 1,871.91 | 623.97 | |
| Recreation & Tourism - | | | | | |
| Site Development | 214.20 | 75/25 | 160.65 | 53.55 | |
| Assets - | | | | | |
| Truck | 2,800.00 | 7/93 | 196.00 | 2,604.00 | |
| Field Gear | 9,772.49 | 29/10/61 | 2,834.02 | 977.25 | 5,961.22 |
| | 12,572.49 | | 3,030.02 | 3,581.25 | 5,961.22 |
| Board Expenses - | | | | | |
| Bank Charges & Interest | 281.20 | 100 | | 281.20 | |
| Truck Loan Interest | 153.87 | 100 | | 153.87 | |
| Property Loan Service Fees | 1,803.09 | 100 | | 1,803.09 | |
| Office Repairs & Maintenance | 8,296.65 | 100 | | 8,296.65 | |
| Depreciation | 14,683.66 | 100 | | 14,683.66 | |
| | 25,218.47 | | | 25,218.47 | |
| | $ 347,580.14 | | 201,510.99 | 123,623.68 | 22,445.47 |

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "3"

## INTERMOUNTAIN CONSERVATION DISTRICT

### SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/(PAYABLE)
For the Years Ended March 31st, 2004 and 2003

| | | 2004 | 2003 |
|---|---|---|---|
| Balance Beginning of Year of Provincial Grant Receivable | $ | 163 | 5,210 |
| Add: Grant Allocated (Schedule "2") | | 201,511 | 174,953 |
| | | 201,674 | 180,163 |
| Deduct: Provincial Grant Received | | 200,000 | 180,000 |
| Balance End of Year Provincial Grant Receivable | $ | 1,674 | 163 |

(The accompanying notes are an integral part of these financial statements)

# INTERMOUNTAIN CONSERVATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS
March 31st, 2004

1. Incorporation and Commencement of Operations -

The Intermountain Conservation District was incorporated under the laws of the Province of Manitoba and commenced operations on July 15th, 1997.

Organization -
The Intermountain Conservation District operates under the authority of The Conservation Districts Act. The objectives for the District under the Act are to provide for the conservation control and prudent use of resources.

2. Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with generally accepted accounting principles and include the following significant accounting policies:

Investments -
Investments are recorded at the lower of cost and net realizable value.

Capital Assets -
Capital Assets are recorded at cost. Amortization is provided on a straight line basis over the estimated useful lives of the assets. The useful lives, with no salvage value are estimated as:

| | |
|---|---|
| Building | 30 Years |
| Automotive | 8 years |
| Office Furniture | 15 years |
| Office Equipment & Signs | 5 years |
| Field Equipment | 10 years |

Income Taxes -
Intermountain Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -
The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Financial Instruments -
The organization's financial instruments include instruments with short and long-term maturities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate and credit risks arising from these instruments.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

# INTERMOUNTAIN CONSERVATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS
March 31st, 2004

3. Capital Assets -

| | Cost | Accumulated Amortization | 2004 Book Value | 2003 Book Value |
|---|---|---|---|---|
| Land | $ 5,000 | | 5,000 | 5,000 |
| Automotive | 68,728 | 33,516 | 35,212 | 13,180 |
| Buildings | 89,280 | 12,327 | 76,953 | 80,929 |
| Furniture, Equipment and Signs | 51,085 | 32,299 | 18,786 | 12,058 |
| | $ 214,093 | 78,142 | 135,951 | 111,167 |

4. Long-Term Debt -

| | 2004 | 2003 |
|---|---|---|
| Ethelbert Credit Union Limited<br>Commercial Loan #3<br>Interest Rate: 7%<br>Terms: Repayable in blended monthly instalments of $600 for 52 months<br>Security: Truck<br>Original amount of loan was $27,000 which was received February 2004 | $ 26,554 | |
| Less: Current Portion | 5,516 | |
| | 21,038 | |
| Ethelbert Credit Union Limited<br>Commercial mortgage #2<br>Interest: 6.75%<br>Terms: Repayable in blended monthly instalments of $900 for 85 months<br>Security: Property SE 36-29-22<br>Original amount of mortgage was $60,000 which was received August 2000 | 31,031 | 40,028 |
| Less: Current Portion | 8,980 | 8,300 |
| | 22,051 | 31,728 |
| | $ 43,089 | 31,728 |

Principal repayments required for the next 5 years:

| | |
|---|---|
| 2004 | $ 14,496 |
| 2005 | 15,520 |
| 2006 | 16,616 |
| 2007 | 8,973 |
| 2008 | 1,980 |

# KELSEY CONSERVATION DISTRICT

## FINANCIAL STATEMENTS
(prepared with Audit)

MARCH 31, 2004

**Prepared by the accounting firm of:**
**M. FAYE KOBELKA**
**Certified General Accountant**

## KELSEY CONSERVATION DISTRICT

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**M. FAYE KOBELKA**
**CERTIFIED GENERAL ACCOUNTANT**
**BOX 1228**
**THE PAS, MB**
**R9A 1L2**
**TEL: 204-623-4664 FAX: 204-623-4686**

## Auditor's Report

To: The Board of Directors
KELSEY CONSERVATION DISTRICT

I have audited the statement of financial position of Kelsey Conservation District as at March 31, 2004 and the Statement of Operations and Changes in Net Assets for the year then ended. These financial statements are the responsibility of the District's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Generally Accepted Auditing Standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Kelsey Conservation District as at March 31, 2004, and the results of its operations and the changes in it's net assets for the year then ended in accordance with Generally Accepted Accounting Procedures.

M Faye Kobelka

M. Faye Kobelka
Certified General Accountant

June 29, 2004
The Pas, MB

KELSEY CONSERVATION DISTRICT

## COMPARATIVE STATEMENT OF FINANCIAL POSITION

Audited

|  | March 31<br>2004 | 2003 |
|---|---|---|
| **ASSETS** |  |  |
| CURRENT |  |  |
| Cash | $ 1,777 | $ 16,435 |
| Accounts Receivable (note 3) | 3,166 | 1,139 |
| Prepaid expenditures | 465 | - |
| Inventories | 114 | 114 |
|  | 5,522 | 17,688 |
| CAPITAL ASSETS (Note 5) | 57,299 | 37,535 |
|  | $ 62,821 | $ 55,223 |
| **LIABILITIES & FUND BALANCES** |  |  |
| CURRENT LIABILITIES |  |  |
| Accounts Payable and Accrued Expenses (note 4) | $ 1,886 | $ 1,478 |
| RESTRICTED FUNDS | 682 | 682 |
| INVESTMENT IN CAPITAL ASSETS | 57,299 | 37,535 |
| GENERAL OPERATING FUND | 2,954 | 15,528 |
|  | $ 62,821 | $ 55,223 |

Approved on behalf of the Board

------------------------------------------------

------------------------------------------------

(The accompanying notes are an integral part of these financial statements)

## KELSEY CONSERVATION DISTRICT

## COMPARATIVE STATEMENT OF OPERATIONS

**Audited**

| | March 31<br>2004 | 2003 |
|---|---|---|
| REVENUES | | |
| Grant Contributions | $ 197,839 | $ 155,796 |
| Other | 2,575 | 4,000 |
| | 200,414 | 159,796 |
| GENERAL & ADMINISTRATIVE EXPENDITURES | | |
| Amortization | 13,775 | 14,011 |
| Automotive | - | 6,421 |
| Honorariums | - | 9,600 |
| Interest | - | 1,775 |
| Management Plan | - | 8,910 |
| Meetings | - | 7,276 |
| Office | 7,742 | 3,856 |
| Project Expenditure (Appendix B) | 161,846 | 27,298 |
| Rent | 5,100 | 5,100 |
| Travel | - | 4,503 |
| Utilities & Water Monitoring | 3,732 | 3,357 |
| Wages & Benefits | 1,029 | 42,109 |
| | 193,224 | 134,216 |
| Excess / (Deficiency) of Revenues over Expenditures | $ 7,190 | $ 25,580 |

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT

## COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS

**Audited** **March 31**

| | 2004 | | | | 2003 |
|---|---|---|---|---|---|
| | Investment in Capital Assets | Wanless Historical Cabin Trust | General Operating Fund | Total Funds | Total Funds |
| Balance, Beginning of Year | $ 37,535 | $ 682 | $ 15,528 | $ 53,745 | $ 27,483 |
| Capital Transactions: | | | | | |
| Capital Asset Addition | 33,539 | | (33,539) | - | - |
| Amortization | (13,775) | | 13,775 | - | - |
| Allocation of Restricted Funds from cash | | | - | - | 682 |
| Excess / (Deficiency) of Revenue over Expenditures | - | | 7,190 | 7,190 | 25,580 |
| Balance, End of Year | $ 57,299 | $ 682 | $ 2,954 | $ 60,935 | $ 53,745 |

(The accompanying notes are an integral part of these financial statements)

## 1. OPERATIONS

Kelsey Conservation District operates under an established Board of Directors, who self select the positions within the Board. The Kelsey Conservation District was established primarily for the purpose of providing resource programs and planning for sustainable soil and water management within the RM of Kelsey.

The funding for their operations is provided on a Provincial (75%) and Municipal (25%) basis. Additional funds may be obtained through partnerships with external agencies.

## 2. SIGNIFICANT ACCOUNTING POLICIES

General

In accordance with generally accepted accounting principles, the organization utilized the accrual basis of accounting for all revenues and expenditures.

Fund Accounting

The organization maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of the available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. A general operating fund, restricted fund, and captital funds are used.

Project reporting / Administrative expenditure reporting Policy

As part of the conditions of the provincial funding, the organization must report it's expenditure in a project driven manner and as such, the policy regard the terms of the provincial funding has been revised in May 2003. Readers should be cautioned that such a shift in reporting policy and procedure may result in comparisons that may not be appropriate for all readers. This shift in reporting should be seen in it's full capacity in the fiscal year ending March 2005.

## 3. ACCOUNTS RECEIVABLE

| | |
|---|---|
| GST refund | 3,166 |
| | $ 3,166 |

## 4. ACCOUNTS PAYABLE (NET)

| | |
|---|---|
| Audit Accrual | 250 |
| Grub Box | 20 |
| Linnett/Watershed | 1,000 |
| Manitoba Hydro | 78 |
| MTS Communications | (47) |
| Opasquia Times | (21) |
| Receiver General | 606 |
| | $ 1,886 |

## 5. CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is recorded using the following method and rates as follows with 1/2 of the normal rate being used in the year of acquisition.

| | | |
|---|---|---|
| Equipment | 20% | declining balance |
| Computer Hardware | 30% | declining balance |
| Computer Software | 20% | straight-line |
| Vehicle | 30% | declining balance |

| | Cost | Accumulated Amortization | Net Book Value 2004 | Net Book Value 2003 |
|---|---|---|---|---|
| Equipment | $ 46,858 | $ 11,727 | $ 35,131 | $ 10,156 |
| Computer Hardware | 11,556 | 5,838 | 5,718 | 3,878 |
| Computer Software | 16,170 | 12,676 | 3,494 | 4,992 |
| Vehicle | 29,342 | 16,386 | 12,956 | 18,509 |
| | $ 103,926 | $ 46,627 | $ 57,299 | $ 37,535 |

## 6. STATEMENT OF CASH FLOW

As the organization is reporting on a fund accounting basis, a statement of cash flow has not been included with these financial statements as its inclusion would not provide additional meaningful information.

**M. FAYE KOBELKA**
**CERTIFIED GENERAL ACCOUNTANT**
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**R9A 1L2**
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## AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Executive of:
KELSEY CONSERVATION DISTRICT

The audited financial statements of Kelsey Conservation District as at March 31, 2004 and my report June 29, 2004 are presented in the preceding section of this report. The supplementary information presented hereafter was derived from the accounting records tested by me as part of the auditing procedures followed in my examination of the financial statements and, in my opinion, they are presented in all material respects in relation to the financial statements taken as a whole.

M. Faye Kobelka
Certified General Accountant

June 29, 2004
The Pas, MB

KELSEY CONSERVATION DISTRICT

## APPENDIX A - SCHEDULE OF COST SHARING (AUDITED)

**March 31, 2004**

| | Total Expenditures | External | Provincial | Local |
|---|---|---|---|---|
| Administration (Note 2) | $ 17,603 | $ - | $ 11,843 | $ 5,760 |
| Assets | 13,775 | | 9,268 | 4,507 |
| Programs | 98,147 | | 66,033 | 32,114 |
| Public Education | 63,699 | - | 42,856 | 20,843 |
| Total Expenditure | $ 193,224 | $ - | $ 130,000 | $ 63,224 |
| Provincial Grants Received | | | 130,000 | |
| Less: Provincial Share of Expenditure | | | 130,000 | |
| Provincial Excess | | | $ - | |

## KELSEY CONSERVATION DISTRICT

## APPENDIX B - SCHEDULE OF PROJECT EXPENDITURE
Audited

| | March 31 | |
|---|---|---|
| | 2004 | 2003 |
| PUBLIC EDUCATION | | |
| Automotive | $ 520 | $ - |
| Board Renumeration - Honararium | 9,600 | - |
| Management Plan | 4,834 | - |
| MCDA Convention | 16,215 | 1,074 |
| Meetings | 3,263 | - |
| Newsletter / Advertising | 3,414 | 2,338 |
| Office & Supplies | 1,016 | - |
| Partner / Project Signage | 857 | - |
| Professional Development | 8,471 | 5,851 |
| Public Education / Relations | 10,949 | 530 |
| School Program | 3,228 | 300 |
| Travel | 1,332 | - |
| | 63,699 | 10,093 |
| RECREATION | | |
| Automotive | 253 | - |
| Grace Lake Trail | 2,989 | - |
| Heritage Building | 1,600 | - |
| Office & Supplies | 493 | - |
| Wanless Community Grounds | 24,433 | 979 |
| Wanless Dock | 1,168 | - |
| | 30,936 | 979 |
| SOILS | | |
| Automotive | 104 | - |
| Forage Program | 2,001 | 2,077 |
| Heavy Harrow Program | 1,407 | - |
| Native Grass Planting | 1,198 | - |
| Office & Supplies | 204 | - |
| Soil Sampling | 4,896 | - |
| Tree Planting | 2,978 | 40 |
| | 12,788 | 40 |
| WATER | | |
| Abandoned Wells | 4,388 | - |
| Automotive | 357 | - |
| Exclusion Fencing | 6,788 | 1,024 |
| Livestock Watering | 2,122 | 1,218 |
| Manure Management | 25,678 | 7,726 |
| Miscellaneous | - | 35 |
| Office & Supplies | 698 | - |
| Pature Pipeline | 1,264 | 1,276 |
| Riparian Rehab | 851 | - |
| Well Disinfection | 963 | 62 |
| Well Quality Testing | 636 | - |
| | 43,745 | 11,341 |
| WILDLIFE | | |
| Artificial Nesting Structures | 3,381 | 23 |
| Automotive | 87 | - |
| Beaver Baffler Program | 126 | - |
| Cranberry Creel | 2,260 | 100 |
| Fish Stocking | 1,004 | 249 |
| Fishway Study | 2,300 | 2,300 |
| Office & Supplies | 170 | - |
| Rocky Lake Study | 1,350 | - |
| Soil Testing | - | 96 |
| | 10,678 | 2,768 |
| TOTAL PROJECT EXPENDITURE | $ 161,846 | $ 25,221 |

Appendix E

Bellas & Reid

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT

## FINANCIAL STATEMENTS

For the year ended 31st March 2004

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT
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Bellas & Reid

# AUDITORS' REPORT

**To the Board of Directors:**
**Lake of the Prairies Conservation District**
**Inglis, Manitoba**

We have audited the balance sheet of **Lake of the Prairies Conservation District** as at **31st March 2004** and the statements of operations and surplus (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at 31st March 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Bellas & Reid
CHARTERED ACCOUNTANTS

Russell, Manitoba
May 19, 2004

Chartered Accountants
Providing Business Solutions
Partners • Kenneth W. Bellas, B.Sc., C.A. • Harold E. Reid, B. Comm. (Hons.), C.A.
Associates • Audra Nychuk, B.Comm. (Hons.), C.A. • Leonard Wagner, C.G.A.
Langenburg • Russell • Shoal Lake • Brandon

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT
## BALANCE SHEET
## As at 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT** | | |
| Cash | $ 1 | $ 55 |
| Accounts receivable (Note 2) | 210 | |
| GST receivable | 709 | 103 |
| Provincial grant receivable (Schedule 2) | 8,963 | 10,016 |
| | 9,883 | 10,174 |
| **PROPERTY, PLANT AND EQUIPMENT** (Notes 2 and 3) | 45,514 | 38,703 |
| **PATRONAGE DIVIDENDS** | 294 | 118 |
| | $ 55,691 | $ 48,995 |
| **LIABILITIES** | | |
| **CURRENT** | | |
| Bank indebtedness (Note 4) | $ 3,510 | $ 1,851 |
| Accounts payable (Note 5) | 1,666 | 2,233 |
| Current portion of demand loan | 1,701 | 5,046 |
| | 6,877 | 9,130 |
| Demand loan (Note 6) | | 1,809 |
| | 6,877 | 10,939 |
| **SURPLUS** | | |
| **INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT** (Note 11) | 45,514 | 38,702 |
| **SURPLUS (DEFICIT)** | 3,300 | (646) |
| | 48,814 | 38,056 |
| | $ 55,691 | $ 48,995 |

**APPROVED ON BEHALF OF THE BOARD:**

Director

Director

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT

## STATEMENT OF OPERATIONS AND SURPLUS (DEFICIT)

**For the year ended 31st March 2004**

| | 2004 | 2003 |
|---|---|---|
| **REVENUE** | | |
| Province of Manitoba grant | $ 78,947 | $ 75,767 |
| Municipal grants (Note 10) | 26,007 | 26,481 |
| External funding | 12,626 | 15,113 |
| Miscellaneous income | 176 | |
| Interest | 344 | 547 |
| | 118,100 | 117,908 |
| **EXPENDITURE** | | |
| Administration | 11,620 | 6,067 |
| Forestry | 6,737 | 10,686 |
| Other | | 941 |
| Public education | 45,377 | 48,604 |
| Soil programs | 15,138 | 15,032 |
| Tourism | 1,559 | 1,357 |
| Water programs | 20,019 | 13,475 |
| Fisheries programs | 5,829 | 15,424 |
| Geographical information system | 1,064 | |
| | 107,343 | 111,586 |
| **REVENUE OVER EXPENDITURE** | 10,757 | 6,322 |
| **OTHER ITEM** | | |
| Investment in property, plant and equipment | (6,811) | (5,070) |
| **NET INCOME FOR YEAR** | 3,946 | 1,252 |
| **DEFICIT BEGINNING OF YEAR** | (646) | (1,898) |
| **SURPLUS (DEFICIT), SURPLUS END OF YEAR** | $ 3,300 | $ (646) |

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT
## STATEMENT OF CASH FLOWS
For the year ended 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income for year | $ 3,946 | $ 1,252 |
| Changes in non-cash working capital (Note 7) | (329) | (9,007) |
| | 3,617 | (7,755) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | (6,811) | (5,070) |
| Change in other long-term assets | (176) | |
| | (6,987) | (5,070) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Advances on bank indebtedness | 1,660 | 950 |
| Advances on long-term debt | | 15,018 |
| Repayment of long-term debt | (5,155) | (8,163) |
| Change in other surplus accounts | 6,811 | 5,070 |
| | 3,316 | 12,875 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (54) | 50 |
| **CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** | 55 | 5 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 1 | $ 55 |

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

## For the year ended 31st March 2004

---

### 1. ENTITY DEFINITION

The Lake of the Prairies Conservation District No. 12 was formed January 1, 2001 to administer and develop programs for the effective management and conservation of the natural resources in the Rural Municipalities of Shellmouth-Boulton, Silver Creek, and Russell, the Town of Russell and Village of Binscarth. Each member municipality appoints local representatives to create a district board. Approximately 75% of the district's annual budget comes from the province while member municipalities contribute 25% of the total in amounts based on their own assessments. The conservation district employs a full-time district manager and a full-time administrator as well as part-time work crews.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization has adopted a policy not to amortize the property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

### 3. PROPERTY, PLANT AND EQUIPMENT

| | Balance, Beginning of Year | Additions | Disposals | Balance, End of Year |
|---|---|---|---|---|
| Office equipment | $ 2,855 | | | $ 2,855 |
| Computer equipment | 5,486 | | | 5,486 |
| Machinery | 10,562 | 6,811 | | 17,373 |
| Truck | 19,800 | | | 19,800 |
| | 38,703 | 6,811 | | 45,514 |
| **ACCUMULATED AMORTIZATION** | | | | |
| **NET BOOK VALUE** | $ 38,703 | | | $ 45,514 |

## LAKE OF THE PRAIRIES CONSERVATION DISTRICT
### NOTES TO FINANCIAL STATEMENTS
### For the year ended 31st March 2004

### 4. BANK INDEBTEDNESS

| | | 2004 | | 2003 |
|---|---|---|---|---|
| Bank overdraft | $ | 3,510 | $ | 1,851 |

There is no authorized line of credit. The overdraft has resulted from recorded outstanding cheques which were covered by deposits made subsequent to the year end.

### 5. ACCOUNTS PAYABLE

| | | 2004 | | 2003 |
|---|---|---|---|---|
| Accrued accounting | $ | 1,380 | $ | 1,380 |
| RRSP | | 286 | | 853 |
| | $ | 1,666 | $ | 2,233 |

### 6. DEMAND LOANS

| | | 2004 | | 2003 |
|---|---|---|---|---|
| Roblin Credit Union Ltd. - commercial loan with blended quarterly payments of $1,360 with interest at a rate of prime + 1%. Secured by 1997 Ford truck. Matures July 2004. | $ | 1,701 | $ | 6,855 |
| | | 1,701 | | 6,855 |
| Current portion | | 1,701 | | 5,046 |
| | $ | | $ | 1,809 |

Principal payments due in the next five years are as follows:

| | | |
|---|---|---|
| 2005 | $ | 1,701 |
| 2006 | | |
| 2007 | | |
| 2008 | | |
| 2009 | | |
| | $ | 1,701 |

| | | 2004 | | 2003 |
|---|---|---|---|---|
| Interest expense applicable to term loans | $ | 285 | $ | 445 |

The prime rate of interest March 31, 2004 is 4%.

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT
## NOTES TO FINANCIAL STATEMENTS
### For the year ended 31st March 2004

## 7. CHANGES IN NON-CASH WORKING CAPITAL

**Change in cash from changes in:**

| | | 2004 | | 2003 |
|---|---|---|---|---|
| Accounts receivable | $ | (210) | $ | 3,633 |
| Other assets | | 447 | | |
| Accounts payable | | (566) | | (12,640) |
| | $ | (329) | $ | (9,007) |

## 8. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

## 9. ECONOMIC DEPENDENCE

Lake of the Prairies Conservation District receives at least 60% of its operating revenue from the Provincial Government and is economically dependent on it.

## 10. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

| | | 2004 | | 2003 |
|---|---|---|---|---|
| R.M. of Shellmouth-Boulton | $ | 9,541 | $ | 9,223 |
| R.M. of Silver Creek | | 7,076 | | 6,848 |
| R.M. of Russell | | 7,021 | | 6,795 |
| Town of Russell | | 2,108 | | 3,363 |
| Village of Binscarth | | 261 | | 252 |
| | $ | 26,007 | $ | 26,481 |

## 11. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

## 12. FINANCIAL INSTRUMENTS

### Credit risk management

The company is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The company does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT

## SCHEDULE 1 - SCHEDULE OF COST SHARING

**For the year ended 31st March 2004**

| PROJECTS & PROGRAMS | Cost Share | Total Expenditures | Provincial | Local | External |
|---|---|---|---|---|---|
| **ADMINISTRATION** | | | | | |
| Office operation | 75/25/00 | 11,620 | 8,715 | 2,905 | $ |
| | | **11,620** | **8,715** | **2,905** | |
| **PUBLIC EDUCATION** | | | | | |
| Public education | 70/23/07 | 20,814 | 14,613 | 4,871 | 1,330 |
| Management planning | 75/25/00 | 6,858 | 5,144 | 1,714 | |
| Staff training/pro development | 75/25/00 | 2,322 | 1,742 | 580 | |
| Meetings/conventions/banquet | 75/25/00 | 2,981 | 2,236 | 745 | |
| Field gear | 75/25/00 | 443 | 332 | 111 | |
| Signage | 75/25/00 | 302 | 227 | 75 | |
| Advertising | 75/25/00 | 2,622 | 1,966 | 656 | |
| Summer technician | 75/25/00 | 6,035 | 4,526 | 1,509 | |
| MCDA dues | 75/25/00 | 3,000 | 2,250 | 750 | |
| | | **45,377** | **33,036** | **11,011** | **1,330** |
| **SOIL PROGRAMS** | | | | | |
| Forage reimbursement | 75/25/00 | 4,325 | 3,244 | 1,081 | |
| Grassed waterways | 75/25/00 | 2,519 | 1,889 | 630 | |
| Salinity barriers | 22/07/71 | 3,306 | 715 | 239 | 2,352 |
| Winter wheat incentive | 75/25/00 | 4,988 | 3,741 | 1,247 | |
| | | **15,138** | **9,589** | **3,197** | **2,352** |
| **WATER MANAGEMENT** | | | | | |
| Abandoned wells | 75/25/00 | 3,194 | 2,362 | 787 | 45 |
| Alternate watering | 75/25/00 | 3,500 | 2,625 | 875 | |
| Riparian club works | 75/25/00 | 7,488 | 5,616 | 1,872 | |
| Pasture pipeline works | 75/25/00 | 1,656 | 1,242 | 414 | |
| Offsite watering system | 04/04/92 | 3,595 | 2,516 | 827 | 252 |
| Field equipment storage | 75/25/00 | 586 | 440 | 146 | |
| | | **20,019** | **14,801** | **4,921** | **297** |
| **FISHERIES** | | | | | |
| Inglis Beach project | 75/25/00 | 5,829 | 4,372 | 1,457 | |
| | | **5,829** | **4,372** | **1,457** | |
| **FORESTRY** | | | | | |
| Adopt -A-Tree program | | | | | |
| Prairie Xeriscape | 75/25/00 | 1,359 | 1,019 | 340 | |
| Research/demo project | 75/25/00 | 2,330 | 1,748 | 582 | |
| Shelterbelt planning service | 75/25/00 | 1,489 | 1,117 | 372 | |
| | 75/25/00 | 1,559 | 1,169 | 390 | |
| | | **6,737** | **5,053** | **1,684** | |
| **SUBTOTAL** | | **$ 104,720** | **$ 75,566** | **$ 25,175** | **$ 3,979** |

(Unaudited)

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT

## SCHEDULE 1 - SCHEDULE OF COST SHARING

For the year ended 31st March 2004

| | | | | | |
|---|---|---|---|---|---|
| CARRY FORWARD | | $ 104,720 | $ 75,566 | $ 25,175 | $ 3,979 |
| **TOURISM** | | | | | |
| Interpretive Trails | 75/25/00 | 1,559 | 1,169 | 390 | |
| | | **1,559** | **1,169** | **390** | |
| **GEOGRAPHICAL INFORMATION SYSTEM** | | | | | |
| Aerial photo & GIS enhancemen | 62/21/17 | 1,064 | 662 | 221 | 181 |
| | | **1,064** | **662** | **221** | **181** |
| **PROPERTY, PLANT AND EQUIPMENT** | | | | | |
| Offsite watering system | -34/-11/145 | 6,811 | (2,298) | (766) | 9,875 |
| Truck payments | 75/25/00 | 5,131 | 3,848 | 1,283 | |
| | | **11,942** | **1,550** | **517** | **9,875** |
| **TOTAL EXPENDITURES** | | **$ 119,285** | **$ 78,947** | **$ 26,303** | **$ 14,035** |
| | | | **66%** | **22%** | **12%** |

(Unaudited)

# LAKE OF THE PRAIRIES CONSERVATION DISTRICT
## NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| Grant - Province of Manitoba | $ 80,000 | $ 77,000 |
| Less: Prior year receivable | 10,016 | 11,249 |
| **GRANT RECEIVED** | 69,984 | 65,751 |
| Less: Provincial allocation | 78,947 | 75,767 |
| **RECEIVABLE - PROVINCE OF MANITOBA** | $ 8,963 | $ 10,016 |

# La Salle Redboine Conservation District

## Financial Statements

For the year ended March 31, 2004

# La Salle Redboine Conservation District

## Financial Statements

For the year ended March 31, 2004

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BDO
Driving growth

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## Auditors' Report

**To the Members of**
**La Salle Redboine Conservation District**

We have audited the statement of financial position of La Salle Redboine Conservation District as at March 31, 2004, and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Organization's executive. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2004, and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Portage la Prairie, Manitoba
June 15, 2004

# La Salle Redboine Conservation District
# Statement of Financial Position

| March 31, | 2004 | 2003<br>(Restated) |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash | $ 18,741 | $ 51,504 |
| Accounts receivable | 2,501 | 4,435 |
| Inventories | 2,343 | - |
| Prepaids | 1,583 | 12,632 |
| Deposit on capital assets | 60,304 | - |
| | 85,472 | 68,571 |
| **Capital Assets** (note 1) | 118,417 | 118,344 |
| | $ 203,889 | $ 186,915 |
| **Liabilities and Net Assets** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | $ 3,545 | $ 2,836 |
| Deferred revenue | - | 20,679 |
| | 3,545 | 23,515 |
| **Deferred Contributions Related to Capital Assets** (note 2) | 26,010 | 27,455 |
| | 29,555 | 50,970 |
| **Net Assets** | | |
| Invested in capital assets (note 3) | 152,711 | 90,889 |
| Unrestricted net assets | 21,623 | 45,056 |
| | 174,334 | 135,945 |
| | $ 203,889 | $ 186,915 |

On behalf of the Board:

Director

Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# La Salle Redboine Conservation District
## Statement of Changes in Net Assets

| For the year ended March 31, |  | 2004 |  | 2003<br>(Restated) |
|---|---|---|---|---|
| (with comparative amounts for the 15 month period ended March 31, 2003) | Invested in Capital Assets | Unrestricted | Total | Total |
| **Net assets**, beginning of year (as previously reported) | $ - | $ 135,945 | $ 135,945 | $ - |
| **Change in accounting policy** (note 4) | 90,889 | (90,889) | - | - |
| **Net assets**, beginning of year (as restated) | 90,889 | 45,056 | 135,945 | - |
| **Excess of revenue (expenditures)**, for the year | (16,748) | 55,137 | 38,389 | 135,945 |
| **Interfund transfers** (note 5) | 78,570 | (78,570) | - | - |
| **Net assets**, end of year (2003 - as restated) | $ 152,711 | $ 21,623 | $ 174,334 | $ 135,945 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

# La Salle Redboine Conservation District
## Statement of Operations

| For the period ended March 31, | 2004 | 2003 (Restated) |
|---|---|---|
| (with comparative amounts for the 15 month period ended March 31, 2003) | | |
| **Revenue** | | |
| Municipal grants (note 6) | $ 76,800 | $ 83,200 |
| Province of Manitoba Grant | 200,000 | 185,754 |
| Sustainable Communities Innovation Fund | 2,889 | 9,611 |
| Prairie Farm Rehabilitation Administration | - | 4,567 |
| RM of Victoria building and land donation (note 2) | 1,445 | 3,745 |
| RM of Victoria property tax donation | 1,579 | 1,593 |
| Interest income | 893 | 691 |
| Ducks Unlimited | 1,000 | - |
| Human Resources Development Canada | 2,672 | - |
| Fisheries Enhancement Initiative | 5,000 | - |
| Project revenues | 15,794 | - |
| Other revenues | 1,023 | - |
| | 309,095 | 289,161 |
| **Expenditures** | | |
| Advertising and promotion | 5,059 | 9,738 |
| Amortization | 18,193 | 17,280 |
| Bank charges and interest | 334 | 179 |
| Board remuneration | 28,334 | 32,237 |
| Insurance | 2,521 | 2,280 |
| Meeting expenses | 1,906 | 190 |
| Membership dues and subscriptions | 4,591 | 1,400 |
| Miscellaneous | 497 | 981 |
| Office and supplies | 1,730 | 5,954 |
| Pension expense | 3,223 | 600 |
| Professional fees | 2,528 | 1,450 |
| Project expenses (schedule 1) | 88,783 | 14,284 |
| Project supplies | 6,898 | 7,611 |
| Property taxes | 1,579 | 1,593 |
| Rent | 310 | 70 |
| Repairs and maintenance | 796 | 230 |
| Salaries and benefits | 75,063 | 40,616 |
| Telephone | 3,474 | 2,787 |
| Training and education | 14,274 | 8,098 |
| Utilities | 2,278 | 1,852 |
| Vehicle operating | 8,335 | 3,786 |
| | 270,706 | 153,216 |
| **Excess of revenue over expenditures** | $ 38,389 | $ 135,945 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# La Salle Redboine Conservation District
# Summary of Significant Accounting Policies

**March 31, 2004**

| | |
|---|---|
| **Nature and Purpose of Organization** | La Salle Redboine Conservation District was established by an Order-in-Council of the Province of Manitoba on January 30, 2002. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a Board of Directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes. |
| **Revenue Recognition** | The Organization follows the deferral method of accounting for contributions. |
| **Contributed Materials and Services** | Volunteers contribute numerous hours and materials during the period to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services and materials (other than the land and building) are not recognized in the financial statements. |
| **Financial Instruments** | The Organization's financial instruments consist of cash, accounts receivable, deposit on capital assets and accounts payable. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.<br>The fair values of these financial instruments approximate their carrying values, unless otherwise noted. |
| **Inventories** | Inventories are stated at cost. |
| **Capital Assets** | Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed capital assets are recorded at a nominal amount. Amortization is based on the estimated useful life of the asset and is calculated using the straight line basis at the following annual rates. |

| | |
|---|---|
| Building | 5 % |
| Field equipment | 10 % |
| Office equipment | 10 % |
| Automotive equipment | 15 % |
| Computer equipment | 20 % |

# La Salle Redboine Conservation District
# Summary of Significant Accounting Policies

March 31, 2004

**Pension Plan**

The Organization's pension plan is administered by Manitoba Municipal Employee Benefits Program. All expenses consist of the contributions required under the plan.

**Management Estimates**

The preparation of financial statements, in accordance with Canadian generally accepted accounting principles, requires Management to make certain estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

## 1. Capital Assets

| | 2004 | | | 2003 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Land | $ 2,300 | $ - | $ 2,300 | $ 2,300 |
| Buildings | 35,974 | 3,597 | 32,377 | 34,175 |
| Field equipment | 26,774 | 3,234 | 23,540 | 11,372 |
| Computer equipment | 31,593 | 12,637 | 18,956 | 25,275 |
| Office equipment | 5,509 | 483 | 5,026 | 1,243 |
| Automotive equipment | 51,740 | 15,522 | 36,218 | 43,979 |
| | $ 153,890 | $ 35,473 | $ 118,417 | $ 118,344 |

## 2. Deferred Contribution Related to Capital Assets

In 2003, the land and building presently occupied but the Organization were donated by the Rural Municipality of Victoria. The fair market value of the land and building was $2,300 and $28,900 respectively. Since the building is a capital asset on which amortization is being recorded, the fair market value has been recorded as a deferred contribution, and the recognition of the value of this donation will occur annually as amortization is recorded on the building over its estimated useful life.

The change in the deferred contributions balance for the year is as follows.

| | 2004 | 2003 |
|---|---|---|
| Beginning balance | $ 27,455 | $ 28,900 |
| Less amortization charged to revenue in the year | 1,445 | 1,445 |
| | $ 26,010 | $ 27,455 |

## 3. Net Assets Invested in Capital Assets

As at March 31, 2004, La Salle Redboine Conservation District has $152,711 invested in capital assets as follows.

| | 2004 | 2003 |
|---|---|---|
| Net assets, beginning of year (as restated) | $ 90,889 | $ - |
| Change in accounting policy (note 4) | - | 90,889 |
| Amortization of deferred contributions related to capital assets | 1,445 | - |
| Amortization of capital assets | (18,193) | - |
| Interfund transfers | 78,570 | - |
| Net assets, end of year | $ 152,711 | $ 90,889 |

## 4. Change in Accounting Policies

In accordance with the Canadian Institute of Chartered Accountants Handbook Section 4430, the Organization is required to record capital assets purchased and amortize these assets over their useful lives since revenues over the previous two years have exceeded $500,000 in total. Previously, capital assets were expensed as purchased. In addition, a deferred contribution must be recorded to reflect the fair market value of the donation of the building received in 2003 as explained in note 2.

The retroactive application of this change in accounting policy to the 2003 fiscal period resulted in a decrease in revenues of $27,455, a decrease in expenses of $118,344, an increase in excess of revenue over expenditures of $90,889, an increase in net capital assets of $118,344, an increase in deferred contributions of $27,455, and an increase in net assets of $90,889.

## 5. Interfund Transfers

During the year, the Unrestricted Fund transferred $78,570 (2003 - $104,424) to the Capital Asset Fund in order to fund the cash outlays for capital asset acquisitions of $18,266 (2003 - nil) and the deposit on capital assets of $60,304 (2003 - nil)

## 6. Municipal Grants

Municipal grants reported in the Statement of Operations, came from the following sources

| For the year ended March 31, 2004 (with comparative amounts for the 15 month period ending March 31, 2003) | 2004 | 2003 |
|---|---|---|
| RM of Cartier | $ 7,440 | $ 8,060 |
| RM of Dufferin | 8,400 | 9,100 |
| RM of Grey | 6,720 | 7,280 |
| RM of MacDonald | 15,600 | 16,900 |
| RM of Portage la Prairie | 15,600 | 16,900 |
| RM of Ritchot | 1,200 | 1,300 |
| RM of South Norfolk | 4,320 | 4,680 |
| RM of Victoria | 3,120 | 3,380 |
| City of Portage la Prairie | 12,000 | 13,000 |
| Town of Carman | 1,920 | 2,080 |
| Village of St. Claude | 240 | 260 |
| Town of Treherne | 240 | 260 |
| | $ 76,800 | $ 83,200 |

## 7. Statement of Cash Flows

A statement of cash flows has not been prepared since it would not provide any additional information

# La Salle Redboine Conservation District
## Schedule 1 - Project Expenses

| For the year ended March 31, | | 2004 | | 2003 |
|---|---|---|---|---|
| (with comparative amounts for the 15 month period ended March 31, 2003) | | | | |
| Drainage mowing | $ | 27,711 | $ | - |
| Abandoned well sealing | | 13,869 | | - |
| Pasture management | | 13,254 | | 14,284 |
| Portage beautification project | | 10,000 | | - |
| Streambank stabilization | | 8,263 | | - |
| Offshore watering systems | | 4,500 | | - |
| Water testing | | 2,806 | | - |
| Grassed runways | | 2,580 | | - |
| Rotational grazing | | 2,573 | | - |
| Riparian fencing | | 1,717 | | - |
| Gully erosion stabilization | | 1,510 | | - |
| | $ | 88,783 | $ | 14,234 |

# La Salle Redboine Conservation District
## Schedule 2 - Cost Sharing

For the year ended March 31, 2003

| | Total Expenditures | External | Provincial | Local |
|---|---|---|---|---|
| Project management | $ 160,627 | $ 6,776 | $ 115,388 | $ 38,463 |
| Soil management | 6,870 | 76 | 5,096 | 1,698 |
| Water management | 71,913 | 21,527 | 37,790 | 12,596 |
| Public education | 13,103 | - | 9,827 | 3,276 |
| Amortization | 18,193 | - | - | 18,193 |
| Total expenditures | 270,706 | 28,379 | 168,101 | 74,226 |
| Assets purchased | | | | |
| Capitalized | 18,266 | - | 13,699 | 4,567 |
| Deposits on capital purchases | 60,306 | - | 45,230 | 15,076 |
| Total | $ 349,278 | $ 28,379 | $ 227,030 | $ 93,869 |

Appendix G

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# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

## FINANCIAL STATEMENTS

For the year ended 31st March 2004

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
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Bellas & Reid

# AUDITORS' REPORT

**To the Board of Directors:**
**Little Saskatchewan River Conservation District**
**Oak River, Manitoba**

We have audited the balance sheet of **Little Saskatchewan River Conservation District** as at **31st March 2004** and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at 31st March 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Russell, Manitoba
May 19, 2004

CHARTERED ACCOUNTANTS

Chartered Accountants
Providing Business Solutions
Partners • Kenneth W. Bellas, B.Sc., C.A. • Harold E. Reid, B. Comm. (Hons.), C.A.
Associates • Audra Nychuk, B.Comm. (Hons.), C.A. • Leonard Wagner, C.G.A.
Langenburg • Russell • Shoal Lake • Brandon

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
## BALANCE SHEET
## As at 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT** | | |
| Cash | $ 101 | $ 7,600 |
| Accounts receivable (Note 2) | 7,053 | 1,675 |
| Provincial grant receivable (Note 13) | 14,841 | 12,910 |
| GST receivable | 2,866 | 1,168 |
| Inventories (Note 2) | 2,929 | 8,963 |
| Prepaid expenses | 2,856 | |
| | 30,646 | 32,316 |
| **PROPERTY, PLANT AND EQUIPMENT** (Notes 2 and 3) | 58,889 | 40,532 |
| | $ 89,535 | $ 72,848 |
| **LIABILITIES** | | |
| **CURRENT** | | |
| Bank indebtedness (Note 4) | $ 36,264 | $ 13,690 |
| Accounts payable (Note 5) | 3,710 | 3,375 |
| Deferred revenue (Note 2) | 22,337 | 23,835 |
| Current portion of long-term debt | | 4,536 |
| | 62,311 | 45,436 |
| **SURPLUS** | | |
| **INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT** (Note 11) | 54,353 | 35,996 |
| **(DEFICIT)** | (27,129) | (8,584) |
| | 27,224 | 27,412 |
| | $ 89,535 | $ 72,848 |

**APPROVED ON BEHALF OF THE BOARD:**

Roy Green Director

_____________________ Director

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

## STATEMENT OF REVENUES AND DEFICIT

For the year ended 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| **REVENUE** | | |
| Grants | | |
| Province of Manitoba | $ 121,932 | $ 119,800 |
| Ducks Unlimited | 38,283 | 45,711 |
| Delta Waterfowl | 1,652 | 3,000 |
| Federal government grants | | 18,761 |
| Provincial government grants | | 17,552 |
| External funding | 77,352 | 10,000 |
| Municipal levies (Note 10) | 42,559 | 38,190 |
| Interest | 238 | 38 |
| Land owner contributions | 25,378 | 7,663 |
| Workshops | | 2,645 |
| Miscellaneous | 487 | 4,226 |
| | 307,881 | 267,586 |
| **EXPENSES**, per schedule | 326,426 | 266,451 |
| **NET INCOME (LOSS) FOR YEAR** | (18,545) | 1,135 |
| **DEFICIT, BEGINNING OF YEAR** | (8,584) | (9,719) |
| **DEFICIT, END OF YEAR** | $ (27,129) | $ (8,584) |

Bellas & Reid

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
## STATEMENT OF CASH FLOWS
For the year ended 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income (loss) for year | $ (18,545) | $ 1,135 |
| Adjustments for | | |
| Amortization | | 14,493 |
| Changes in non-cash working capital (Note 7) | (6,992) | (15,698) |
| | (25,537) | (70) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | (18,358) | (5,203) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Advances on bank indebtedness | 22,574 | 13,690 |
| Repayment of long-term debt | (4,536) | (4,181) |
| Change in other surplus accounts | 18,358 | |
| | 36,396 | 9,509 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (7,499) | 4,236 |
| **CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** | 7,600 | 3,364 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 101 | $ 7,600 |

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
## NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2004

---

## 1. ENTITY DEFINITION

Little Saskatchewan River Conservation District was established by an Order-in-Council of the Province of Manitoba on January 1, 1999. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

### Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization has adopted a policy not to amortize the property, plant and equipment.

### Unearned revenue

Unearned revenue is the portion of fees received prior to year end which relates to programs and services to be delivered after year end.

### Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

### Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

## 3. PROPERTY, PLANT AND EQUIPMENT

| | Balance, Beginning of Year | Additions | Disposals | Balance, End of Year |
|---|---|---|---|---|
| Automotive | $ 25,900 | | | $ 25,900 |
| Computer | 24,790 | 8,171 | | 32,961 |
| Laser level | 2,950 | 10,187 | | 13,137 |
| Office equipment | 5,203 | | | 5,203 |
| Pipeline plow | 6,194 | | | 6,194 |
| Seed drill | 22,550 | | | 22,550 |
| Utility trailer | 3,323 | | | 3,323 |
| | 90,911 | 18,358 | | 109,268 |
| **ACCUMULATED AMORTIZATION** | | | | |
| Automotive | 15,540 | | | 15,540 |
| Computer | 25,024 | | | 25,024 |
| Office equipment | 1,146 | | | 1,146 |
| Seed drill | 8,669 | | | 8,669 |
| | 50,379 | | | 50,379 |
| **NET BOOK VALUE** | $ 40,532 | | | $ 58,889 |

## 4. BANK INDEBTEDNESS

| | 2004 | 2003 |
|---|---|---|
| Bank overdraft | $ 36,264 | $ 13,690 |

There is no authorized line of credit. The overdraft has resulted from recorded outstanding cheques which were covered by deposits made subsequent to the year end.

## 5. ACCOUNTS PAYABLE

| | 2004 | 2003 |
|---|---|---|
| Accrued accounting | $ 1,250 | $ |
| Trade | 2,460 | 3,375 |
| | $ 3,710 | $ 3,375 |

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
## NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2004

## 6. LONG TERM DEBT

| | 2004 | 2003 |
|---|---|---|
| Westoba Credit Union Ltd - Term loan with blended annual payments of $4,921 with interest at a rate of 8.5%. Matures May 2003. Secured by seed drill | | 4,536 |
| Less: Current portion | | 4,536 |
| | | |

## 7. CHANGES IN NON-CASH WORKING CAPITAL

| | 2004 | 2003 |
|---|---|---|
| **Change in cash from changes in:** | | |
| Accounts receivable | $ (5,378) | $ 12,356 |
| GST receivable | (1,698) | 1,029 |
| Inventories | 6,034 | (8,963) |
| Prepaid expenses | (2,856) | |
| Other assets | (1,931) | |
| Accounts payable | 335 | (13,892) |
| Deferred revenue | (1,498) | (6,228) |
| | $ (6,992) | $ (15,698) |

## 8. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation. The prior year's figures were audited by another firm of Chartered Accountants.

## 9. ECONOMIC DEPENDENCE

Little Saskatchewan River Conservation District receives at least 40% of its operating revenue from the Province of Manitoba and is economically dependent on it.

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
## NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2004

Bellas & Reid

### 10. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

| | 2004 | 2003 |
|---|---|---|
| Rural Municipality of Blanshard | $ 7,819 | $ 7,002 |
| Rural Municipality of Clanwilliam | 3,111 | 2,864 |
| Rural Municipality of Daly | 7,612 | 6,817 |
| Rural Municipality of Harrison | 5,718 | 5,121 |
| Rural Municipality of Minto | 3,742 | 3,351 |
| Rural Municipality of Odanah | 1,577 | 1,412 |
| Rural Municipality of Saskatchewan | 7,405 | 6,631 |
| Town of Minnedosa | $ 4,035 | 3,613 |
| Town of Rivers | 1,359 | 1,217 |
| Town of Rapid City | 181 | 162 |
| | $ 42,559 | $ 38,190 |

### 11. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

### 12. FINANCIAL INSTRUMENTS

#### Credit risk management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

### 13. PROVINCIAL GRANT RECEIVABLE/PAYABLE

| | 2004 | 2003 |
|---|---|---|
| Grant - Province of Manitoba | $ 120,000 | $ 120,000 |
| Less: Prior year receivable | 12,910 | 13,110 |
| GRANT RECEIVED | 107,090 | 106,890 |
| Less: Provincial allocation | 121,931 | 119,800 |
| RECEIVABLE - PROVINCE OF MANITOBA | $ 14,841 | $ 12,910 |

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
## SCHEDULE OF EXPENSES
For the year ended 31st March 2004

SCHEDULE 1

Bellas Reid

| | 2004 | 2003 |
|---|---|---|
| Accounting | $ 1,749 | $ 1,911 |
| Advertising | 412 | 13,920 |
| Amortization | 2,181 | 14,493 |
| Board remuneration | 4,952 | 7,629 |
| Capital asset purchases | 18,358 | |
| Computer software | 5,616 | 4,447 |
| Sub-district programs (Schedule 1) | 76,637 | 60,299 |
| Heat, light and power | 1,867 | 2,267 |
| Insurance | | 2,738 |
| Interest and bank charges | 1,417 | 1,592 |
| MCDA dues | 3,000 | 3,000 |
| Miscellaneous | 37 | 3,084 |
| Newsletters | 1,218 | 839 |
| Office | 6,582 | 836 |
| Public education | 25,833 | 7,258 |
| Rent | 2,400 | 2,400 |
| Repairs and maintenance | 3,496 | 11,961 |
| Salaries | 110,429 | 104,539 |
| Shelterbelts and salinity program | 128 | 1,935 |
| Small dams | 639 | 1,398 |
| Soil programs | 1,606 | |
| Telephone | 6,217 | 5,790 |
| Training | 3,204 | 1,795 |
| Travel | | 3,781 |
| Trucking and freight | | 732 |
| Vehicle expense | 1,287 | 3,640 |
| Water programs | 47,089 | 1,548 |
| Well capping | 72 | 2,619 |
| | $ 326,426 | $ 266,451 |

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

## SCHEDULE OF EXPENDITURE - SUB-DISTRICT PROGRAMS

SCHEDULE 2

**For the year ended 31st March 2004**

| | 2004 | 2003 |
|---|---|---|
| **UPPER OAK RIVER SUB-DISTRICT # 72** | | |
| Forage | $8,843 | $7,866 |
| Small dams | 2,600 | 128 |
| Soil | | |
| Well capping | 1,252 | 603 |
| Wildlife | | |
| Warranty fund | 643 | |
| | 13,338 | 8,597 |
| **CENTRAL LITLLE SASKATCHEWAN RIVER SUB-DISTRICT # 81** | | |
| Forage | 12,376 | 13,092 |
| Small dams | 295 | 11,889 |
| Soil | 5,016 | 900 |
| Well capping | 1,599 | 1,514 |
| Wildlife | | |
| Warranty fund | 1,495 | |
| | 20,781 | 27,395 |
| **LOWER LITLLE SASKATCHEWAN RIVER SUB-DISTRICT # 82** | | |
| Forage | 21,968 | 19,669 |
| Small dams | 15,840 | 1,548 |
| Soil | | 2,000 |
| Well capping | 4,710 | 1,090 |
| Wildlife | | |
| Warranty fund | | |
| | 42,518 | 24,307 |
| | $76,637 | $60,299 |

# LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

## SCHEDULE OF COST SHARING

**SCHEDULE 3**

**For the year ended 31st March 2004**

| | | Total Expenditures | Provincial | District | Other | External |
|---|---|---|---|---|---|---|
| **ADMINISTRATION** | | | | | | |
| Project Support | | 14,186 | 6,815 | 2,271 | - | 5,100 |
| Office Operation | | 7,927 | 5,598 | 1,866 | 463 | - |
| | Sub-Total | **22,113** | **12,413** | **4,137** | **463** | **5,100** |
| **ASSETS** | | | | | | |
| Computer Equipment | | 2,338 | 148 | 50 | - | 2,140 |
| Office Equipment | | 15,208 | 292 | 97 | - | 14,819 |
| Equipment | | 933 | 700 | 233 | - | - |
| | Sub-Total | **18,479** | **1,140** | **380** | - | **16,959** |
| **PUBLIC EDUCATION** | | | | | | |
| Educational Programs | | 11,685 | 7,787 | 2,596 | - | 1,302 |
| Tours & Workshops | | 17,831 | 12,556 | 4,185 | 330 | 760 |
| Advertising | | 11,317 | 7,295 | 2,433 | 33 | 1,556 |
| Communications | | 15,716 | 10,607 | 3,536 | - | 1,573 |
| MCDA | | 10,820 | 7,790 | 2,596 | - | 434 |
| | Sub-Total | **67,369** | **46,035** | **15,346** | **363** | **5,625** |
| **SOILS** | | | | | | |
| Forage Seed | | 52,761 | 14,228 | 4,742 | - | 33,791 |
| Rotational Grazing | | 3,865 | 2,748 | 916 | - | 201 |
| Saline Seed | | 2,731 | - | - | - | 2,731 |
| Drill Lease | | 7,780 | 3,830 | 1,277 | 1,468 | 1,205 |
| Alternate Land Use Strategy | | 7,389 | 4,638 | 1,546 | - | 1,205 |
| | Sub-Total | **74,526** | **25,444** | **8,481** | **1,468** | **39,133** |
| **WILDLIFE/FISHERIES** | | | | | | |
| Conservation Corridor Signs | | 1,727 | 1,130 | 377 | - | 220 |
| Riparian Partnerships | | 8,669 | (6,711) | (2,237) | - | 17,617 |
| Beaver Management | | 1,151 | 641 | 214 | 150 | 146 |
| | Sub-Total | **11,547** | **(4,940)** | **(1,646)** | **150** | **17,983** |
| **FORESTRY** | | | | | | |
| Agro Woodlot | | 4,226 | 2,784 | 928 | - | 514 |
| GIS Data | | 1,812 | 1,138 | 379 | 75 | 220 |
| Shelterbelts Demo | | 6,166 | 4,073 | 1,358 | - | 735 |
| | Sub-Total | **12,204** | **7,995** | **2,665** | **75** | **1,469** |
| **WATER** | | | | | | |
| Small Dams | | 24,566 | 10,924 | 3,641 | 1,250 | 8,751 |
| Abandoned Wells | | 13,465 | 6,068 | 2,023 | 675 | 4,698 |
| Runway Stabilization | | 10,848 | 7,571 | 2,524 | - | 752 |
| Surveying | | 2,582 | 1,749 | 583 | - | 250 |
| Broughton's Creek Watershed | | 11,683 | 5,927 | 1,976 | - | 3,780 |
| Sandy Lake Enhancement | | 75 | - | 75 | - | - |
| Offsite Watering System | | 8,495 | - | 4,297 | 150 | 4,048 |
| Winter Water System | | 16,115 | - | 3,041 | 3,400 | 9,674 |
| Pasture Pipeline | | 25,152 | - | 7,475 | 16,855 | 822 |
| Water Quality Testing | | 5,069 | - | 2,439 | 992 | 1,638 |
| Warranty | | 2,138 | 1,604 | 536 | - | - |
| | Sub-Total | **120,188** | **33,843** | **28,610** | **23,322** | **34,413** |
| **TOTAL EXPENDITURES** | | **326,426** | **121,930** | **57,973** | **25,841** | **120,682** |

# MID ASSINIBOINE RIVER
# CONSERVATION DISTRICT
# FINANCIAL STATEMENTS
## MARCH 31, 2004

# MID ASSINIBOINE RIVER CONSERVATION DISTRICT

## FINANCIAL STATEMENTS

March 31, 2004

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info@eprbrandon.com

# AUDITORS' REPORT

To the Board of Directors
Mid Assiniboine River Conservation District

We have audited the balance sheet of Mid Assiniboine River Conservation District as at March 31, 2004 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2004 and the results of its operations, net assets and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Evancic Perrault Robert

**EVANCIC PERRAULT ROBERTSON**
**CERTIFIED GENERAL ACCOUNTANTS**

July 2, 2004
Brandon, Manitoba

NACPAF

# MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 1

## STATEMENT OF OPERATIONS

Year ended March 31, 2004

| | 2004<br>(12 months) | 2003<br>(15 months) |
|---|---|---|
| **Revenue** | | |
| Province of Manitoba grant | $ 90,000 | $ 110,000 |
| Municipal levies - note 4 | 34,876 | 37,876 |
| Prairie Farm Rehabilitation Administration grant | 7,222 | 5,000 |
| Miscellaneous | 5,354 | 980 |
| Sustainable Development Innovations Fund | 2,151 | - |
| Ducks Unlimited | 2,000 | - |
| Brandon University | 2,500 | - |
| Geomatic services | 3,400 | - |
| Covering New Ground | 5,000 | - |
| | 152,503 | 153,856 |
| **Expenses** | | |
| Advertising and promotion | 626 | 5,559 |
| Amortization | 3,395 | 3,395 |
| Bad debts | 195 | - |
| Board programs | 3,632 | 3,774 |
| Board remuneration | 12,612 | 16,157 |
| Computer software | 2,164 | 7,056 |
| Employee benefits | 7,138 | 4,874 |
| Equipment expenses | 6,238 | 5,418 |
| Freight | 40 | 132 |
| Insurance | 2,224 | 3,107 |
| Interest and bank charges | 228 | 72 |
| Meetings and conventions | 2,909 | 2,210 |
| Office | 4,835 | 6,629 |
| Professional fees | 1,195 | - |
| Project demonstration | 9,247 | - |
| Rental | 1,200 | 1,500 |
| Salaries and wages | 57,720 | 37,575 |
| School education and projects | 403 | 1,048 |
| Staff travel and expenses | 6,821 | 5,133 |
| Sub-district programs - schedule one | 35,844 | 35,133 |
| Telephone | 2,576 | 2,905 |
| | 161,242 | 141,677 |
| **(Deficient) excess revenue over expenses for the year** | $ (8,739) | $ 12,179 |

The accompanying notes are an integral part of these financial statements.

# MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 2

## STATEMENT OF NET ASSETS

Year ended March 31, 2004

| | Invested in Capital Assets | Unrestricted | Total 2004 | Total 2003 |
|---|---|---|---|---|
| Balance, beginning of year | $ 20,840 | $ (8,661) | $ 12,179 | $ - |
| (Deficient) excess revenue over expenses | (3,395) | (5,344) | (8,739) | 12,179 |
| Balance, end of year | **$ 17,445** | **$ (14,005)** | **$ 3,440** | $ 12,179 |

The accompanying notes are an integral part of these financial statements.

## MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 3

### CASH FLOW STATEMENT

Year ended March 31, 2004

| | 2004 (12 months) | 2003 (15 months) |
|---|---|---|
| **Cash provided by (used for)** | | |
| Operations: | | |
| Earnings (loss) from operations | $ (8,739) | $ 12,179 |
| Item not requiring an outlay of funds | | |
| Amortization | 3,395 | 3,395 |
| | (5,344) | 15,574 |
| Changes in non-cash working capital: | | |
| Accounts receivable | (1,000) | - |
| Inventory | - | (1) |
| Deferred income | 12,849 | - |
| Prepaid expenses | (412) | - |
| GST payable (receivable) | 234 | (1,729) |
| Accounts payable | 339 | - |
| Employee deductions payable | 1,291 | - |
| | 13,301 | (1,730) |
| | 7,957 | 13,844 |
| Financing: | | |
| Proceeds from long term financing | - | 15,576 |
| Repayment of long term debt | (10,576) | (5,000) |
| | (10,576) | 10,576 |
| Investments: | | |
| Additions to capital assets | - | (24,233) |
| **Increase (decrease) in cash** | (2,619) | 187 |
| **Cash, beginning of year** | 187 | - |
| **Cash (deficiency), end of year** | $ (2,432) | $ 187 |

The accompanying notes are an integral part of these financial statements.

# MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 4

## BALANCE SHEET

March 31, 2004

| | 2004 | 2003 |
|---|---|---|
| **ASSETS** | | |
| Current: | | |
| Cash | $ - | $ 187 |
| Accounts receivable | 1,000 | - |
| Goods and services tax recoverable | 1,495 | 1,728 |
| Prepaid expenses | 412 | - |
| | 2,907 | 1,915 |
| Capital assets - note 3 | 17,444 | 20,840 |
| | $ 20,351 | $ 22,755 |
| **LIABILITIES AND NET ASSETS** | | |
| Current: | | |
| Bank indebtedness | $ 2,432 | $ - |
| Accounts payable | 339 | - |
| Employee deductions payable | 1,291 | - |
| Deferred income | 12,849 | - |
| | 16,911 | - |
| Long term debt | - | 10,576 |
| | 16,911 | 10,576 |
| Net Assets | | |
| Invested in capital assets | 17,445 | 20,840 |
| Unrestricted | (14,005) | (8,661) |
| | 3,440 | 12,179 |
| | $ 20,351 | $ 22,755 |

**On behalf of the Board**

Director Wes Williamson Director

The accompanying notes are an integral part of these financial statements.

## 1. DESCRIPTION OF OPERATIONS

Mid Assiniboine River Conservation District was established January 2002 and formalized March 1, 2002 under the authority of *The Conservation Districts Act*. Its purpose is to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts. The program is a partnership between the Province of Manitoba and participating Municipalities. The District is exempt from income taxes.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mid Assiniboine River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### Capital assets

Capital assets are stated at cost less accumulated amotization. Amortization is provided at various rates designed to amortize the assets over the estimated useful lives. The amortization rates are follows:

| | | |
|---|---|---|
| Equipment | 20% | straight-line method |
| Computer equipment | 4 years | straight-line method |
| Office furniture and equipment | 20% | straight-line method |

## 3. CAPITAL ASSETS

| | | | 2004 | 2003 |
|---|---|---|---|---|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Equipment | $ 15,024 | $ 3,005 | $ 12,019 | $ 13,522 |
| Computer equipment | 6,476 | 3,238 | 3,238 | 4,857 |
| Office furniture and equipment | 2,734 | 547 | 2,187 | 2,461 |
| | $ 24,234 | $ 6,790 | $ 17,444 | $ 20,840 |

## 4. MUNICIPAL LEVIES

| | 2004 | 2003 |
|---|---|---|
| Rural Municipality of Cornwallis | $ 11,470 | $ 12,470 |
| Rural Municipality of Elton | 12,470 | 13,470 |
| Rural Municipality of Whitehead | 10,936 | 11,936 |
| | $ 34,876 | $ 37,876 |

## 5. COMMITMENTS

The District entered into a four year operating lease on a 2003 John Deere Zero Till Drill at a commitment of $5,628.29 every October and April 1.

Future minimum payments are:

| | |
|---|---|
| 2005 | $ 11,256 |
| 2006 | 11,256 |
| 2007 | 11,256 |
| | $ 33,768 |

# MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE ONE

## SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS

Year ended March 31, 2004

| | 2004<br>(12 months) | 2003<br>(15 months) |
|---|---|---|
| LITTLE SOURIS SUB-DISTRICT 98A | | |
| Forage seed | $ 100 | $ 1,300 |
| Water development | 4,000 | 3,000 |
| Abandoned wells | 1,131 | 414 |
| MHHC partnership | - | 1,000 |
| Off-site watering program | 2,000 | - |
| Salinity seed | 205 | - |
| Winter cereal program | 650 | - |
| | 8,086 | 5,714 |
| LITTLE SOURIS SUB-DISTRICT 98B | | |
| Forage seed | 4,900 | 4,410 |
| Water development | 9,328 | 15,092 |
| Abandoned wells | 3,449 | 1,589 |
| Surface water management | - | 320 |
| Rotational grazing | 895 | - |
| Salinity seed | 2,255 | - |
| Winter cereal program | 1,000 | - |
| | 21,827 | 21,411 |
| EPINETTE/WILLOW CREEK SUB-DISTRICT 99A | | |
| Forage seed | - | 4,900 |
| Small dams | 243 | 138 |
| Water development | - | 2,412 |
| Abandoned wells | 2,614 | 508 |
| Water licensing | - | 50 |
| Rotational grazing | 639 | - |
| Salinity seed | 1,435 | - |
| Winter cereal program | 1,000 | - |
| | 5,931 | 8,008 |
| | $ 35,844 | $ 35,133 |

The accompanying notes are an integral part of these financial statements.

## MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE TWO

### SCHEDULE OF COST SHARING

Year ended March 31, 2004
(Unaudited)

| | Total Expenditures | Provincial | District Levies | Other | External |
|---|---|---|---|---|---|
| **ADMINISTRATION** | | | | | |
| Program support planning | 19,065 | 10,135 | 3,379 | - | 5,551 |
| Office operation | 18,009 | 13,507 | 4,502 | - | - |
| | 37,074 | 23,642 | 7,881 | - | 5,551 |
| **ASSETS** | | | | | |
| Equipment | 8,606 | 5,903 | 1,967 | 735 | - |
| Computer equipment | 456 | 342 | 114 | - | - |
| Miscellaneous | 571 | 428 | 143 | - | - |
| | 9,633 | 6,673 | 2,224 | 735 | - |
| **PUBLIC EDUCATION** | | | | | |
| Project support/planning | 5,380 | 4,035 | 1,345 | - | - |
| Public education/advertising | 626 | 469 | 156 | - | - |
| Off-site watering | 8,891 | 6,255 | 2,085 | 375 | 176 |
| Miscellaneous | 7,180 | 5,310 | 1,770 | 100 | - |
| | 22,077 | 16,069 | 5,356 | 475 | 176 |
| **SOILS** | | | | | |
| Project support/planning | 10,127 | 5,542 | 1,847 | 237 | 2,500 |
| Forage assistance | 5,762 | 4,321 | 1,441 | - | - |
| Saline seed | 3,280 | 538 | 179 | 718 | 1,845 |
| Public demonstrations | 4,339 | 2,027 | 676 | 1,637 | - |
| | 23,508 | 12,428 | 4,143 | 2,592 | 4,345 |
| **WILDLIFE/FISHERIES** | | | | | |
| Project support/planning | 60 | 45 | 15 | - | - |
| **WATER** | | | | | |
| Project support/planning | 9,601 | 5,664 | 1,888 | 125 | 1,924 |
| New projects/reconstruction | 22,286 | 11,307 | 3,769 | 662 | 6,548 |
| Maintenance | 61 | (76) | (25) | 76 | 86 |
| IWMP 98 | 2,456 | 1,842 | 614 | - | - |
| Drainage Pilot Project | 581 | 436 | 145 | - | - |
| | 34,985 | 19,173 | 6,391 | 863 | 8,558 |
| **OTHER PROJECT SUPPORT** | | | | | |
| Manager wages/expenses | 20,892 | 12,857 | 4,286 | - | 3,750 |
| Board remuneration | 12,818 | 9,614 | 3,205 | - | - |
| Staff travel/expenses | - | - | - | - | - |
| Database development | 195 | 146 | 49 | - | - |
| | 33,905 | 22,617 | 7,540 | - | 3,750 |
| | $ 161,242 | 100,647 | $ 33,550 | $ 4,665 | $ 22,380 |

The accompanying notes are an integral part of these financial statements.

## MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE THREE

### SCHEDULE OF PROVINCIAL GRANT CONTRIBUTIONS

Year ended March 31, 2004
(Unaudited)

| | | |
|---|---|---|
| Provincial grant, 2003-2004 | $ | 90,000 |
| Less: share of expenses | | (100,647) |
| | $ | (10,647) |

The accompanying notes are an integral part of these financial statements.

Appendix I

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# PEMBINA VALLEY CONSERVATION DISTRICT

## FINANCIAL STATEMENTS

## MARCH 31, 2004

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| 5 | Statement of Changes in Surplus |
| 6 | Statement of Revenue and Expenditures |
| 7 | Statement of Cash Flows |
| 8 - 11 | Notes to Financial Statements |
| 12 | Schedule of Expenditures |
| 13 | Schedule of Cost Sharing |

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R6W 4A7

# AUDITOR'S REPORT

**TO THE MEMBERS:
PEMBINA VALLEY CONSERVATION DISTRICT**

I have audited the statements of financial position of Pembina Valley Conservation District as at March 31, 2004 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $99,032. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit and surplus.

In my opinion, except for the effect of adjustments required by the two preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2004 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winkler, Manitoba
June 8, 2004

CHARTERED ACCOUNTANT INC.

# PEMBINA VALLEY CONSERVATION DISTRICT

## STATEMENT OF FINANCIAL POSITION

## MARCH 31, 2004

## ASSETS

| | 2004 | 2003 |
|---|---|---|
| **CURRENT** | | |
| Cash | $ 119,600 | $ 62,256 |
| Accounts receivable | 71,618 | 76,555 |
| Prepaid expenses | 7,340 | 5,531 |
| Inventory | 25,927 | 22,455 |
| | 224,485 | 166,797 |
| **PROVINCE OF MANITOBA - STRATEGIC INFRASTRUCTURE RESERVE FUND** | 10,000 | 5,000 |
| **UNFUNDED DEFICIT (note 3)** | 99,032 | 99,032 |
| **CAPITAL (notes 2a and 4)** | 150,501 | 150,501 |
| | $ 484,018 | $ 421,330 |

APPROVED BY

Director

Director

# PEMBINA VALLEY CONSERVATION DISTRICT

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2004

## LIABILITIES

| | 2004 | 2003 |
|---|---|---|
| **CURRENT** | | |
| Accounts payable and accrued | $ 40,014 | $ 12,396 |
| Unearned revenue (note 5) | 71,103 | 33,446 |
| Current portion of long term debt | - | 7,715 |
| | 111,117 | 53,557 |
| **STRATEGIC INFRASTRUCTURE RESERVE FUND** | 10,000 | 5,000 |
| | 121,117 | 58,557 |

## SURPLUS

| | | |
|---|---|---|
| **SURPLUS (page 5)** | 362,901 | 362,773 |
| | $ 484,018 | $ 421,330 |

Credit facilities (note 9)

Commitment (note 10)

# PEMBINA VALLEY CONSERVATION DISTRICT

## STATEMENT OF FINANCIAL POSITION - DONATION FUND

MARCH 31, 2004

## ASSETS

| | | 2004 | | 2003 |
|---|---|---|---|---|
| **CURRENT** | | | | |
| Cash and investment | $ | 5,269 | $ | 5,124 |

## SURPLUS

| | | | | |
|---|---|---|---|---|
| **SURPLUS (note 7)** | $ | 5,269 | $ | 5,124 |

APPROVED BY

______________________ Director

______________________ Director

# PEMBINA VALLEY CONSERVATION DISTRICT

## STATEMENT OF CHANGES IN SURPLUS

## FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| Surplus, beginning of year | $ 362,773 | $ 353,425 |
| Excess of revenue over expenditures | 128 | 9,348 |
| **SURPLUS, END OF YEAR (note 6)** | **$ 362,901** | $ 362,773 |

# PEMBINA VALLEY CONSERVATION DISTRICT

## STATEMENT OF REVENUE AND EXPENDITURES

## FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| **REVENUE** | | |
| Provincial grants | | |
| Rural Development | $ 298,000 | $ 270,000 |
| Municipal levies | | |
| Rural Municipality of Lorne | 25,891 | 25,811 |
| Rural Municipality of Louise | 19,358 | 19,267 |
| Rural Municipality of Pembina | 24,290 | 24,180 |
| Rural Municipality of Roblin | 7,067 | 6,967 |
| Rural Municipality of Stanley | 9,333 | - |
| Rural Municipality of Thompson | 13,659 | 13,638 |
| Town levies | | |
| Village of Cartwright | 94 | - |
| Village of Crystal City | 367 | 361 |
| Village of Manitou | 672 | 777 |
| Village of Pilot Mound | 444 | 515 |
| Other funding - external | 39,494 | 57,479 |
| - local | 6,100 | 15,200 |
| Manitoba Disaster Assistance | 17,517 | 42,003 |
| Manitoba Habitat Heritage | 13,012 | - |
| Manitoba Agriculture | - | 8,000 |
| Rural water development program - PFRA | 23,500 | 35,000 |
| Tri-Lakes land | 52,219 | - |
| Watershed Restoration Action Strategy - water testing | 7,381 | 12,648 |
| Other income | 28,718 | 23,993 |
| Interest income | 3,114 | 1,144 |
| Other (note 11) | 32,559 | 14,748 |
| | 622,789 | 571,731 |
| **EXPENDITURES (page 12)** | 622,661 | 562,383 |
| **EXCESS OF REVENUE OVER EXPENDITURES** | $ 128 | $ 9,348 |

# PEMBINA VALLEY CONSERVATION DISTRICT

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Excess of revenue over expenditures | $ 128 | $ 9,348 |
| Changes in non-cash working capital (note 8) | 64,931 | 30,083 |
| Cash flows from (used in) operating activities | 65,059 | 39,431 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Increase in reserve fund | (5,000) | (5,000) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Repayment of long term debt | (7,715) | (3,679) |
| Transfer to reserve fund | 5,000 | 5,000 |
| Cash flows from (used in) financing activities | (2,715) | 1,321 |
| **NET INCREASE IN CASH** | 57,344 | 35,752 |
| Cash at beginning of year | 62,256 | 26,504 |
| **CASH AT END OF YEAR** | $ 119,600 | $ 62,256 |

# PEMBINA VALLEY CONSERVATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

## MARCH 31, 2004

### 1. PURPOSE OF THE ORGANIZATION

The Pembina Valley Conservation District was incorporated under the laws of the Province of Manitoba in October, 1989. It was established primarily for the purpose of providing programs and education for the conservation of soil and water. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District.

---

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the organization.

a) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization is no longer being provided for in the District's records.

b) **Income taxes**

Pembina Valley Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a specific item basis.

---

### 3. UNFUNDED DEFICIT

The unfunded deficit represents expenditures incurred in years prior to 2002 that exceeded amounts for which funding was received from the Province. Expenditures are normally cost-shared with the Province.

---

## PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2004

### 4. CAPITAL ASSETS

| | 2004 | | 2003 | |
|---|---|---|---|---|
| | **Cost** | **Accumulated Amortization** | Cost | Accumulated Amortization |
| Land | $ 53,532 | $ - | $ 53,532 | $ - |
| Building | 45,853 | 5,964 | 45,853 | 5,964 |
| Field equipment | 84,663 | 61,281 | 84,663 | 61,281 |
| Office furniture and equipment | 36,031 | 22,322 | 36,031 | 22,322 |
| Surveying equipment | 3,658 | 2,712 | 3,658 | 2,712 |
| Vehicles | 36,052 | 17,009 | 36,052 | 17,009 |
| | 259,789 | 109,288 | 259,789 | 109,288 |
| Cost less accumulated amortization | | $ 150,501 | | $ 150,501 |

### 5. UNEARNED REVENUE

| | 2004 | 2003 |
|---|---|---|
| Environmental Youth Club | $ 3,312 | $ 3,312 |
| Fisheries Enhancement funds | 5,661 | 5,661 |
| Manitoba Healthy Waters Reserve | 15,000 | - |
| Moffatt memorial fund reserve | 330 | 330 |
| Rural Municipality of Lorne levy | 13,424 | 6,473 |
| Rural Municipality of Louise levy | 10,033 | 4,839 |
| Rural Municipality of Pembina levy | - | 6,072 |
| Rural Municipality of Roblin levy | 3,682 | 1,767 |
| Rural Municipality of Stanley levy | 19,102 | - |
| Rural Municipality of Thompson levy | - | 3,415 |
| Town of Manitou levy | - | 672 |
| Village of Cartwright levy | 100 | 94 |
| Village of Crystal City levy | - | 367 |
| Village of Pilot Mound levy | 459 | 444 |
| | $ 71,103 | $ 33,446 |

## PEMBINA VALLEY CONSERVATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

## MARCH 31, 2004

### 6. SURPLUS

The surplus has two components: a current surplus and a capital asset surplus. The current surplus is equal to current assets plus the unfunded deficit and the reserve fund minus liabilities and reserve. This money, which totalled $212,400 at March 31, is available to fund ongoing operations. The capital asset surplus is equal to the net book value of capital assets which totalled $150,501 at March 31. This surplus is not readily available to fund current operations.

### 7. DONATION FUND SURPLUS

Changes to the donation fund surplus during the year were as follows:

| | 2004 | 2003 |
|---|---|---|
| Interest earned | $ 729 | $ 8 |
| Expenditures - trophies and scholarship | (584) | (584) |
| Unrealized gain (loss) on investment | - | (756) |
| Increase (decrease) for the year | $ 145 | $ (1,332) |

### 8. CHANGES IN NON-CASH WORKING CAPITAL

| | 2004 | 2003 |
|---|---|---|
| Increase (decrease) in cash from changes in: | | |
| Accounts receivable | $ 4,937 | $ (6,072) |
| Prepaid expenses | (1,809) | 11,730 |
| Inventory | (3,472) | 4,843 |
| Accounts payable and accrued | 27,618 | 11,563 |
| Unearned revenue | 37,657 | 8,019 |
| | $ 64,931 | $ 30,083 |

# PEMBINA VALLEY CONSERVATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

## MARCH 31, 2004

### 9. CREDIT FACILITIES

The District has arranged for a line of credit authorized to a maximum of $30,000. Security consists of a promissory note and an assignment of book debts. Interest is charged at prime plus 1%.

### 10. COMMITMENT

Under the terms of an equipment lease the District is committed to payments of $684 every three months. The lease expires in March, 2005.

### 11. OTHER REVENUE

| | 2004 | 2003 |
|---|---|---|
| Agri-Food Canada | $ 8,959 | $ - |
| Manitoba Agriculture - Covering new ground | 14,600 | 14,000 |
| Manitoba Conservation - Enviro Youth Corporation | - | 748 |
| Manitoba Conservation Special Conservation Fund | 9,000 | - |
| | $ 32,559 | $ 14,748 |

# PEMBINA VALLEY CONSERVATION DISTRICT

## SCHEDULE OF EXPENDITURES

## FOR THE YEAR ENDED MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| **OPERATING** | | |
| Audit and legal | $ 1,210 | $ 1,082 |
| Ducks Unlimited program | 11,987 | 12,504 |
| Insurance | 2,894 | 2,643 |
| Interest and bank charges | 81 | 573 |
| Inventory adjustment | 5,300 | 1,379 |
| Office | 15,224 | 14,268 |
| PFRA programs | 47,842 | 28,339 |
| Public education | 60,318 | 65,645 |
| Repairs, maintenance and fuel | 17,453 | 19,907 |
| Soils miscellaneous | 5,203 | 48,047 |
| Soil projects | 19,538 | 13,130 |
| Telephone | 2,513 | 2,980 |
| Tri-Lakes land | 52,219 | - |
| Wages and benefits | 108,277 | 78,410 |
| Water management/planning | - | 2,288 |
| Water projects | 182,270 | 228,762 |
| Wildlife projects | 55,661 | 22,318 |
| | 587,990 | 542,275 |
| **CAPITAL** | | |
| Building | - | 3,678 |
| Equipment | 11,267 | 7,274 |
| Vehicle | 18,404 | 4,156 |
| | 29,671 | 15,108 |
| Transfer to Strategic Infrastructure Reserve Fund | 5,000 | 5,000 |
| | $ 622,661 | $ 562,383 |

# PEMBINA VALLEY CONSERVATION DISTRICT

## SCHEDULE OF COST SHARING

## FOR THE YEAR ENDED MARCH 31, 2004

| | Total Expenditures | Provincial | District | | External |
|---|---|---|---|---|---|
| | | | Levies | Other | |
| **ADMINISTRATION** | | | | | |
| Program support & planning | $ 25,500 | $ 19,125 | $ 6,375 | $ - | $ - |
| Office operation | 16,660 | 7,054 | 2,351 | 7,255 | - |
| | 42,160 | 26,179 | 8,726 | 7,255 | - |
| **PUBLIC EDUCATION** | 73,504 | 34,920 | 11,640 | 954 | 25,990 |
| **SOILS MISCELLANEOUS** | 19,541 | 14,656 | 4,885 | - | - |
| **WILDLIFE/FISHERIES** | 37,649 | 10,237 | 3,412 | - | 24,000 |
| **WATER** | | | | | |
| Multi-purpose projects | 295,222 | 153,419 | 51,140 | 12,408 | 78,255 |
| Well filling | 25,882 | 5,911 | 2,004 | 8,100 | 9,867 |
| Water management | 35,128 | 26,346 | 8,782 | - | - |
| | 356,232 | 185,676 | 61,926 | 20,508 | 88,122 |
| **TOTAL** | 529,086 | 271,668 | 90,589 | 28,717 | 138,112 |
| **OTHER** | | | | | |
| Inventory | 8,772 | 1,421 | 474 | 6,877 | - |
| Equipment/building repairs | 29,671 | 21,166 | 7,055 | 1,450 | - |
| Transfer to S.I.R.F. | 5,000 | 3,750 | 1,250 | - | - |
| | 43,443 | 26,337 | 8,779 | 8,327 | - |
| **TOTAL EXPENDITURES** | $ 572,529 | $ 298,005 | $ 99,368 | $ 37,044 | $ 138,112 |
| **TOTAL EXPENDITURES (%)** | 100 | 52 | 17 | 7 | 24 |

### SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
### FOR THE YEAR ENDED MARCH 31, 2004

| | |
|---|---|
| **LESS: 2002-2003 Provincial Grant Receivable** | $ (765) |
| **PROVINCIAL GRANT, 2003-2004** | 298,000 |
| | 297,235 |
| **LESS: 2003-2004 Allocated Grant** | (298,005) |
| **PROVINCIAL GRANT REMAINING/OVERSPENT** | $ (770) |

**2003 MUNICIPAL LEVY - $91,842 + $9,333 (RM of Stanley) = $101,175**

Appendix J

# SEINE-RAT RIVER CONSERVATION DISTRICT

## INDEX TO THE FINANCIAL STATEMENTS
## MARCH 31, 2004

AUDITORS' REPORT

STATEMENT 1 - STATEMENT OF FINANCIAL POSITION

STATEMENT 2 - STATEMENT OF OPERATIONS

NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE 1 - SCHEDULE OF COST SHARING

SCHEDULE 2 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE

To the Board
Seine-Rat River Conservation District

# AUDITORS' REPORT

We have audited the statement of financial position of **Seine-Rat River Conservation District** as at **March 31, 2004** and the statement of operations for the year ended March 31, 2004. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2004 and the results of its operations for the period then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

July 5, 2004

# SEINE-RAT RIVER CONSERVATION DISTRICT

## STATEMENT OF FINANCIAL POSITION
MARCH 31, 2004

---

### ASSETS

| | 2003 | 2004 |
|---|---|---|
| Current | | |
| Cash | 7,947 | 21,758 |
| Provincial grant receivable | 18,709 | 17,411 |
| Accounts receivable | - | 5,587 |
| Prepaid expense | 1,288 | - |
| | 27,944 | 44,756 |
| Capital Assets *(Note 3)* | 20,752 | 59,724 |
| | 48,696 | 104,480 |

### LIABILITIES

| | 2003 | 2004 |
|---|---|---|
| Current | | |
| Accounts payable | 3,365 | 956 |
| Deferral revenue | 12,800 | - |
| Current portion of long term debt | - | 6,420 |
| | 16,165 | 7,376 |
| Long term debt *(Note 4)* | - | 25,927 |

### NET ASSETS

| | 2003 | 2004 |
|---|---|---|
| Unrestricted Net Assets | | |
| Balance, beginning of year | 10,362 | 32,531 |
| Excess of revenues over expenses | 22,169 | 38,646 |
| Balance, end of year | 32,531 | 71,177 |
| | 48,696 | 104,480 |

On Behalf of the Board:

Director

Director

# SEINE-RAT RIVER CONSERVATION DISTRICT

## STATEMENT OF OPERATIONS
## MARCH 31, 2004

| | 2003 | 2004 |
|---|---|---|
| **REVENUES** | | |
| Grant | | |
| Province of Manitoba | 106,305 | **94,704** |
| Career Start Program | 878 | **816** |
| Levies | | |
| Rural Municipality La Broquerie | 28,300 | **28,300** |
| Rural Municipality of Ste. Anne | - | **3,667** |
| Other Government water programs | - | **84,240** |
| Land owners | 45,000 | **20,000** |
| Miscellaneous | - | **3,653** |
| | 180,483 | **235,380** |
| **EXPENSES** | | |
| General and Administration | | |
| Amortization | - | **6,637** |
| Bank charges | 229 | **1,103** |
| Goods and services tax | 2,022 | **-** |
| Membership | 500 | **2,000** |
| Office | 2,323 | **5,329** |
| Professional fees | 935 | **1,349** |
| Rent | 2,140 | **3,240** |
| Telephone | 3,714 | **4,096** |
| Wages and benefits | 20,655 | **28,889** |
| | 32,518 | **52,643** |
| Program Costs | | |
| Advertising | 3,049 | **6,784** |
| Beaver management | 560 | **16** |
| Board remuneration | 6,536 | **8,023** |
| Brushing | 10,599 | **10,754** |
| Crossing management | 626 | **251** |
| Drainage | 42,956 | **45,076** |
| Education | 4,092 | **6,620** |
| Fuel and mileage | 2,371 | **424** |
| Grassed waterways | 6,514 | **28** |
| Management plans | 1,886 | **2,719** |
| Miscellaneous | 331 | **262** |
| Pasture management | 2,000 | **2,891** |
| Riparian program | 5,095 | **577** |
| Staff development | 2,975 | **3,311** |
| Wages and benefits | 33,533 | **30,578** |
| Water management | 2,673 | **25,777** |
| | 125,796 | **144,091** |
| **Total Expenses** | 158,314 | **196,734** |
| **EXCESS OF REVENUES OVER EXPENSES** | 22,169 | **38,646** |

# SEINE-RAT RIVER CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

---

### 1. OPERATIONS

The Seine-Rat River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and the Rural Municipalities of La Broquerie and Ste Anne and is governed by a board of directors from the municipalities involved in the Conservation District. The District is exempt from income taxes.

### 2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

#### REVENUE RECOGNITION

The Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collected is reasonably assured.

#### CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the straight line method at a 10% rate intended to amortize the cost of the assets over their estimated useful lives.

### 3. CAPITAL ASSETS

| | | | 2004 | |
|---|---|---|---|---|
| | **2003 Book Value** | **Cost** | **Accumulated Amortization** | **Net Book Value** |
| Computer equipment | 14,937 | 18,777 | 1,878 | 16,899 |
| Office equipment | 5,815 | 14,247 | 1,425 | 12,822 |
| Truck | - | 33,337 | 3,334 | 30,003 |
| | 20,752 | 66,361 | 6,637 | 59,724 |

# SEINE-RAT RIVER CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS
## MARCH 31, 2004

---

### 4. LONG TERM DEBT

| | 2004 |
|---|---|
| Term loan bearing interest at prime plus 1.0% payable in monthly payments of $677 including interest, due October 2008 and secured by the truck | 32,347 |
| Less: current portion | 6,420 |
| | 25,927 |

Principal payments over the next five years are as follows:

| | |
|---|---|
| 2005 | $6,420 |
| 2006 | 6,867 |
| 2007 | 7,219 |
| 2008 | 4,253 |

### 4. STATEMENT OF CASH FLOWS

The Statement of Cash Flows has not been presented as the information is readily available from the Statement of Financial Position and Statement of Operations.

### 5. CHANGE IN ACCOUNTING POLICY

During the year the District changed its accounting policy to record amortization of capital assets. The change has not been applied retroactively.

# SEINE-RAT RIVER CONSERVATION DISTRICT

## SCHEDULE OF COST SHARING
MARCH 31, 2004

*Schedule 1*

| | Total Expenditures | Provincial | District | External |
|---|---|---|---|---|
| General and Administration | 52,643 | 12,645 | 4,214 | 35,784 |
| Public Education | 46,572 | 31,997 | 10,666 | 3,909 |
| Soils | 6,087 | 4,565 | 1,522 | - |
| Wildlife | 17,622 | 5,673 | 1,891 | 10,058 |
| Water | 73,810 | 39,824 | 13,275 | 20,711 |
| | 196,734 | 94,704 | 31,568 | 70,462 |
| Assets | | | | |
| Computer software | 3,840 | - | 3,840 | - |
| Office furniture | 8,432 | - | 8,432 | - |
| Truck | 33,337 | - | - | 33,337 |
| | 242,343 | 94,704 | 43,840 | 103,799 |

# SEINE-RAT RIVER CONSERVATION DISTRICT

## SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
MARCH 31, 2004

*Schedule 2*

| | |
|---|---|
| Provincial Grant received, 2003 – 2004 | 96,002 |
| Less: 2003 Provincial Grant receivable | 18,709 |
| | 77,293 |
| 2003 – 2004 Allocated Grant – *Schedule 1* | 94,704 |
| 2004 Provincial Grant receivable | 17,411 |

Appendix K

# Tiger Hills Conservation District

## Auditors' Report and Financial Statements

March 31, 2004

Collins Barrow
Chartered Accountants

Collins Barrow
Chartered Accountants

401 Century Plaza
One Wesley Avenue
Winnipeg, Canada
R3C 4C6

**T.** 204.942.0221
**F.** 204.944.8371
email collinsbarrow@wpgcb.com

## Auditors' Report

**To the Members**
**Tiger Hills Conservation District**

We have audited the balance sheet of Tiger Hills Conservation District as at March 31, 2004 and the statements of revenue and expenditures and surplus and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow

Winnipeg, Canada
June 25, 2004

CHARTERED ACCOUNTANTS

# Tiger Hills Conservation District

## Financial Statements
## March 31, 2004

### Contents

### Financial Statements

Balance Sheet 4

Statement of Revenue and Expenditures and Surplus 5

Statement of Cash Flows 6

Notes to the Financial Statements 7

**Schedules** 8 - 10

# Tiger Hills Conservation District

## Balance Sheet

March 31, 2004

| | 2004 | 2003 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and short term investments | $ 1,364 | $ 3,063 |
| Accounts receivable (note 3) | 14,725 | 9,143 |
| | $ 16,089 | $ 12,206 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable and accrued charges | $ 6,779 | $ 5,223 |
| **Surplus** | | |
| Surplus | 9,310 | 6,983 |
| | $ 16,089 | $ 12,206 |

**Approved By the Board:**

________________, Director

M. L. Sigvaldason Director

# Tiger Hills Conservation District

## Statement of Revenue and Expenditures and Surplus

## For The Year Ended March 31, 2004

| | 2004 | 2003 |
|---|---|---|
| Revenue | | |
| Municipal levies | | |
| Rural Municipality of Argyle | $ 10,702 | $ 10,702 |
| Rural Municipality of Glenwood | 9,531 | 9,531 |
| Rural Municipality of South Cypress | 7,042 | 7,042 |
| Rural Municipality of Strathcona | 6,181 | 6,001 |
| Village of Glenboro | 743 | 743 |
| | 34,199 | 34,019 |
| Provincial grants | 103,045 | 94,829 |
| Sales of services | 5,564 | 4,165 |
| Canada Employment | 1,752 | 2,002 |
| Donations | 125 | |
| PFRA | 5,649 | 3,500 |
| Ducks Unlimited | | 5,678 |
| Covering New Ground | 2,000 | 1,375 |
| Sustainable Development Initiative | 9,000 | 1,500 |
| Partner and landowner contributions | 186 | 260 |
| Miscellaneous | 1,374 | 80 |
| Interest income | 553 | 464 |
| | 163,447 | 147,872 |
| Expenditures - Schedule 1. | | |
| Program management | 14,328 | 34,607 |
| Public education | | 2,019 |
| District programs | 123,893 | 75,505 |
| Project support | | 13,887 |
| Equipment purchases | 22,899 | 17,181 |
| | 161,120 | 143,199 |
| Excess of revenue over expenditures | 2,327 | 4,673 |
| Surplus, beginning of the year | 6,983 | 2,310 |
| Surplus, end of the year | $ 9,310 | $ 6,983 |

# Tiger Hills Conservation District

## Statement of Cash Flows

## For The Year Ended March 31, 2004

| | 2004 | 2003 |
|---|---|---|
| **Cash Provided By (Used For)** | | |
| Operating activities | | |
| Excess of revenue over expenditures | $ 2,327 | $ 4,673 |
| Changes in non-cash working capital | | |
| Increase in accounts receivable | ( 5,582) | ( 5,584) |
| Increase in accounts payable | 1,556 | 2,751 |
| Increase (decrease) in cash and short term investments | ( 1,699) | 1,840 |
| Cash and short term investments, beginning of the year | 3,063 | 1,223 |
| Cash and short term investments, end of the year | $ 1,364 | $ 3,063 |

# Tiger Hills Conservation District

## Notes to the Financial Statements

## March 31, 2004

## 1. Nature of Activities

The Conservation District operates under the authority of The Conservation Districts Act and Regulations.

The mandate of The Conservation District is to promote the sustainable use and management of the land, water and related resources in the municipalities of Argyle, Glenwood, South Cypress and Strathcona and the Village of Glenboro.

## 2. Significant Accounting Policies

### Inventories

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

### Income Taxes

Tiger Hills Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

### Property, Plant and Equipment

It is the District's policy to expense property, plant and equipment in the year of purchase.

## 3. Accounts Receivable

| | 2004 | 2003 |
|---|---|---|
| Province of Manitoba - grant | $ 10,402 | $ 7,357 |
| Goods and services tax | 2,923 | 1,356 |
| Sale of services | 1,400 | 430 |
| | $ 14,725 | $ 9,143 |

# Tiger Hills Conservation District
## Schedule of Expenditures
## For The Year Ended March 31, 2004

| | 2004 | 2003 |
|---|---|---|
| Program Management | | |
| Advertising and promotion | $ | $ 7,640 |
| Audit and legal | 727 | 792 |
| Bank charges and interest | 224 | 273 |
| Board expenses (100%) | 20 | |
| Board remuneration and expenses | | 5,126 |
| Building expense | 60 | 138 |
| Insurance | 1,869 | 423 |
| MCDA fees | 3,633 | 3,724 |
| Manager's expenses | 70 | 974 |
| Office operation | 296 | 61 |
| Printing, postage and stationery | 299 | 2,497 |
| Unallocated salaries, wages and benefits | 2,059 | 8,424 |
| Staff training | 1,506 | 504 |
| Utilities | 3,565 | 4,031 |
| | 14,328 | 34,607 |
| Public Education | | 2,019 |
| District Programs - Schedule 2. | 123,893 | 75,505 |
| Project support | | 13,887 |
| Equipment purchases | 22,899 | 17,181 |
| | $161,120 | $143,199 |

Schedule 2.

# Tiger Hills Conservation District

## Schedule of District Programs

## For The Year Ended March 31, 2004

| | Elgin Creek | Pelican/ Rock Lake | Upper Oak | Lower Oak | Central Assiniboine | **2004 Total** | 2003 Total |
|---|---|---|---|---|---|---|---|
| Abandoned wells | $ 535 | $ 1,675 | $ 535 | $ 1,495 | $ 161 | **$ 4,401** | $ 6,861 |
| Alternate water/pasture pipeline | 1,121 | 374 | 4,747 | 6,723 | 1,121 | **14,086** | 4,202 |
| Beaver management | | 807 | | | | **807** | 4,401 |
| Community trees | | 1,121 | | 3,211 | | **4,332** | 6,564 |
| Forage seed | 1,521 | 3,544 | 2,442 | 3,842 | 1,974 | **13,323** | 13,115 |
| Grassed waterways | 3,760 | | 1,981 | 373 | 1,675 | **7,789** | 5,547 |
| Mole leveling/pasture management | 837 | 1,495 | 747 | 2,615 | 766 | **6,460** | 6,394 |
| Nutrient management | 424 | 373 | | | | **797** | |
| Public education | 5,507 | 6,912 | 5,605 | 6,441 | 8,210 | **32,675** | |
| Salinity solutions | 1,121 | 747 | | | 374 | **2,242** | 4,887 |
| Shoreline stabilization | 1,024 | 373 | | | 1,736 | **3,133** | 4,094 |
| Special projects | 4,048 | 4,206 | 3,300 | 3,300 | 3,300 | **18,154** | |
| Well rehabilitation | 374 | 747 | 388 | 769 | 769 | **3,047** | 5,782 |
| Wildlife and fisheries management | | | | | | | 4,153 |
| Winter wheat | 560 | 2,855 | 1,895 | 3,308 | 2,534 | **11,152** | 9,505 |
| | $ 21,206 | $ 25,229 | $ 22,761 | $ 32,077 | $ 22,620 | **$123,893** | $ 75,505 |

Schedule 3.

# Tiger Hills Conservation District

## Schedule of Cost Sharing

## For The Year Ended March 31, 2004

| | Total Expenditures | External | Provincial | Local Levy |
|---|---|---|---|---|
| Program Management | | | | |
| General | $ 14,328 | $ 1,752 | $ 9,432 | $ 3,144 |
| Other | | 4,085 | ( 1,205) | ( 2,880) |
| | 14,328 | 5,837 | 8,227 | 264 |
| District Programs | | | | |
| Abandoned wells | 4,401 | 1,879 | 1,891 | 631 |
| Alternate water/pasture pipelines | 14,086 | 10,300 | 2,840 | 946 |
| Beaver management | 807 | | 605 | 202 |
| Community tree | 4,332 | | 3,249 | 1,083 |
| Forage seed | 13,323 | 2,670 | 7,990 | 2,663 |
| Grassed waterways | 7,789 | | 5,842 | 1,947 |
| Mole leveling/pasture management | 6,460 | 3,050 | 2,558 | 852 |
| Nutrient management | 797 | | 597 | 200 |
| Prairie enhancement | 1,495 | | 1,120 | 375 |
| Public education | 32,675 | - | 24,506 | 8,169 |
| Salinity solutions | 2,242 | | 1,682 | 560 |
| Shoreline stabilization | 3,133 | 186 | 2,210 | 737 |
| Special projects | 18,154 | - | 13,615 | 4,539 |
| Well rehabilitation | 3,047 | 280 | 2,075 | 692 |
| Winter wheat | 11,152 | 2,000 | 6,864 | 2,288 |
| | 123,893 | 20,365 | 77,644 | 25,884 |
| Equipment purchases | 22,899 | - | 17,174 | 5,725 |
| Total Expenditures | $161,120 | $ 26,202 | $103,045 | $ 31,873 |

Reconciliation of provincial grant receivable

| | |
|---|---|
| Provincial grant receivable, March 31, 2003 | $ 7,357 |
| Provincial share of expenses for the year | 103,045 |
| Less: Grant received | ( 100,000) |
| Provincial grant receivable, March 31, 2004 | $ 10,402 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

FINANCIAL STATEMENTS

MARCH 31, 2004

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

## INDEX TO THE FINANCIAL STATEMENTS

MARCH 31, 2004

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STATEMENT 3 - STATEMENT OF OPERATIONS AND SURPLUS - SUB-DISTRICT PROGRAM

STATEMENT 4 - STATEMENT OF OPERATIONS AND SURPLUS - EQUIPMENT PROGRAM #1

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NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE 1 - SCHEDULE OF COST SHARING

SCHEDULE 2 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE

MNP
MEYERS NORRIS PENNY LLP

# MANAGEMENT'S RESPONSIBILITY

To the Board of Directors of Turtle Mountain Conservation District No. 4:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is composed entirely of directors who are neither management nor employees of the organization.

External auditors are appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both management and the Board to discuss their audit findings.

Chairperson

Secretary-Treasurer

MNP
MEYERS NORRIS PENNY LLP

The Board
Turtle Mountain Conservation District No. 4

## AUDITORS' REPORT

We have examined the statement of financial position of the Turtle Mountain Conservation District No. 4 as at March 31, 2004 and the statement of operations and surplus for the General Board Program, Sub-District Program, Equipment Program #1, Equipment Program #2, Equipment Reserve and Schedules of Cost Sharing and Provincial Grant Receivable for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As explained in Note 2, the statement of operations has not combined the transactions of the Sub-District Programs, Equipment Programs or Reserve Funds with those of the General Board Program. Had a statement of operations included the combined results of all of the funds, the excess (deficiency) of revenues over expenses would have shown ($926), (2003, $8,888).

In our opinion, except that the statement of operations does not combine the results of all funds as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

June 16, 2004
Virden, Manitoba

An independent member of
BAKER TILLY
INTERNATIONAL

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
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# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 1

## STATEMENT OF FINANCIAL POSITION
MARCH 31, 2004

---

| | 2004 | 2003 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash and short-term investments | **261,351** | 377,282 |
| Accounts receivable (Note 3) | **7,730** | 12,674 |
| Inventory | **3,234** | 2,893 |
| Prepaid expenses | **-** | 360 |
| | **272,315** | 393,209 |
| PROPERTY, PLANT AND EQUIPMENT (Note 4) | **211,661** | 103,398 |
| | **483,976** | 496,607 |
| **LIABILITIES** | | |
| CURRENT | | |
| Accounts payable | **7,292** | 14,962 |
| Unearned revenue | **15,717** | 19,752 |
| | **23,009** | 34,714 |
| **SURPLUS (DEFICIENCY)** | | |
| GENERAL BOARD PROGRAM | **267,834** | 257,251 |
| SUB-DISTRICT PROGRAM | **114,170** | 116,094 |
| EQUIPMENT PROGRAM #1 | **(4,915)** | 2,671 |
| EQUIPMENT PROGRAM #2 | **51,878** | 53,877 |
| EQUIPMENT RESERVE | **32,000** | 32,000 |
| | **460,967** | 461,893 |
| | **483,976** | 496,607 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

## GENERAL BOARD PROGRAM
### STATEMENT OF OPERATIONS AND SURPLUS
### YEAR ENDED MARCH 31, 2004

| | **2004** | 2003 |
|---|---:|---:|
| REVENUE | | |
| Province of Manitoba | **201,140** | 183,130 |
| Municipal levies | **64,610** | 53,771 |
| Ducks Unlimited | **9,400** | 21,514 |
| Interest | **5,170** | 6,082 |
| Land rental | **6,270** | 3,388 |
| Miscellaneous | - | 2,173 |
| Recreation Committee | **444** | 384 |
| Soils Committee | **4,038** | 18,492 |
| Agricultural Sustainability Initiative | **4,602** | - |
| Canadian Nature Federation | **2,000** | 2,500 |
| Direct charges | **642** | 318 |
| Dylan Biggs Workshops | - | 1,195 |
| Greencover Canada | **2,888** | - |
| Hometown Green Team | **2,247** | - |
| Local Wildlife Groups | - | 7,600 |
| Manitoba Forage Council | **1,600** | - |
| Manitoba Habitat Heritage | - | 2,375 |
| Manitoba Hydro | **13,600** | - |
| Manitoba Wildlife Federation | - | 13,500 |
| Municipal Grants | **2,335** | 5,665 |
| Natural Resources | - | 3,000 |
| Pembina River Basin Advisory Board | **2,024** | 3,036 |
| Special Conservation Fund – Bolduc Property | - | 5,000 |
| Donation of land – Poole | - | 29,900 |
| Donation of website | - | 200 |
| Transfer from sub-district program | - | 6,281 |
| Transfer from Equipment Program #2 | **4,465** | 34,856 |
| | **327,475** | 404,360 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

## GENERAL BOARD PROGRAM
## STATEMENT OF OPERATIONS AND SURPLUS
## MARCH 31, 2004

| | 2004 | 2003 |
|---|---|---|
| EXPENSES | | |
| Administrative - general | 33,368 | 52,588 |
| - local | 476 | 955 |
| Board and committee remuneration | 19,822 | 23,582 |
| Amortization - office equipment | 6,230 | 5,523 |
| - program support equipment | 1,828 | 1,393 |
| - field equipment | 5,919 | 6,888 |
| - warehouse | 2,027 | - |
| Direct expenses | 642 | 318 |
| District supervisor - expenses | - | 2,266 |
| Loss on disposal of equipment | - | 1,116 |
| Professional education and development | 3,762 | 1,529 |
| Program support assistant | - | 4,373 |
| Public relations | 55 | 123 |
| Special Programs | | |
| Forage Seed Assistance | 32,067 | 44,433 |
| Public Education | 93,244 | 56,872 |
| Important Bird Area | 4,335 | 5,165 |
| Shelterbelt Program | 47,924 | 31,720 |
| Soils – Program Support | - | 16,326 |
| Wildlife Habitat Improvement Program | 15,975 | 5,468 |
| Interpretive Area Management | 10,623 | - |
| Land Management – Rotational Grazing | 4,215 | 5,200 |
| Management Plan | 7,480 | - |
| Bovines and Shorelines/Managing the Water's Edge | 4,602 | - |
| Dylan Biggs Workshops | - | 1,563 |
| Greencover Canada Program | 2,888 | - |
| Habitat Purchase – Webster | - | 38,120 |
| Habitat Purchase – Bolduc | - | 18,420 |
| Habitat Donation – Poole | - | 29,900 |
| Storage shed – property | - | 10,445 |
| Salinity Barrier Program | 4,298 | 4,214 |
| Waterfowl Habitat Lease Program | 2,841 | 2,750 |
| No-Till Program | - | 1,200 |
| Portable Windbreaks | 1,732 | - |
| Pembina River Basin Advisory Board | 2,024 | 5,389 |
| Warehouse expenses | 4,705 | - |
| Transfer to Equipment Program #2 | 3,810 | - |
| | 316,892 | 377,839 |
| EXCESS OF REVENUE OVER EXPENSES | 10,583 | 26,521 |
| SURPLUS - Beginning of year | 257,251 | 230,730 |
| SURPLUS - End of year | 267,834 | 257,251 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 3

## SUB-DISTRICT PROGRAM
## STATEMENT OF OPERATIONS AND SURPLUS
## YEAR ENDED MARCH 31, 2004

| | WAKOPA | UPPER PEMBINA | WEST ARTHUR | WASKADA CREEK | MEDORA CREEK | CHAIN LAKES | ELGIN CREEK WH. LAKE | **TOTAL 2004** | TOTAL 2003 |
|---|---|---|---|---|---|---|---|---|---|
| REVENUE | | | | | | | | | |
| Municipal levies | 6,298 | 6,338 | 1,992 | 5,966 | 3,848 | 1,595 | 5,330 | **31,367** | 42,206 |
| Province of Manitoba | 19,259 | 18,912 | 6,706 | 17,892 | 11,351 | 8,503 | 15,665 | **98,288** | 107,112 |
| Program Revenue | 59 | 637 | 457 | 2,789 | 3,797 | 855 | 2,652 | **11,246** | 5,904 |
| Ducks Unlimited | - | - | - | - | - | - | - | **-** | 10,000 |
| Land Rental Revenue | 300 | 250 | - | - | - | 1,312 | - | **1,862** | 1,661 |
| NRCAN | - | - | - | - | - | - | - | **-** | 11,000 |
| PFRA - RWDP | 165 | 1,814 | 165 | 330 | 330 | - | 990 | **3,794** | 2,000 |
| Sustainable Dev. Innov. Fund | - | - | - | - | - | - | - | **-** | 5,000 |
| Municipal Grants | - | - | - | - | - | - | - | **-** | 916 |
| | 26,081 | 27,951 | 9,320 | 26,977 | 19,326 | 12,265 | 24,637 | **146,557** | 185,799 |
| EXPENSES | | | | | | | | | |
| Runway Stabilization | - | - | - | - | - | - | - | **-** | 8,613 |
| Water storage | - | - | - | - | - | - | - | **-** | 12,627 |
| Salaries/Engineering | - | - | - | - | - | - | - | **-** | 68,572 |
| Habitat/Riparian | - | - | - | - | - | - | - | **-** | 2,000 |
| Killarney Lagoon | - | - | - | - | - | - | - | **-** | 5,917 |
| Maintenance | 15,270 | 7,340 | 418 | 7,115 | 1,723 | 2,742 | 3,562 | **38,170** | - |
| New Projects/Reconstruction | 108 | 4,131 | 5,984 | 15,053 | 11,420 | 7,990 | 8,953 | **53,639** | - |
| Well sealing | 663 | 6,134 | 559 | 954 | 1,216 | 26 | 3,705 | **13,257** | 11,770 |
| Road allowance | 2,583 | 3,125 | 652 | 548 | 417 | - | 1,327 | **8,652** | 13,916 |
| Access Ramps/ Remote Watering | 2,206 | 3,759 | - | 96 | 2,000 | 566 | 2,198 | **10,825** | 16,745 |
| Education | 1,299 | 206 | 113 | 166 | - | - | 58 | **1,842** | - |
| Other | 4,074 | 3,371 | 1,837 | 3,094 | 2,485 | 2,180 | 5,055 | **22,096** | 26,313 |
| Winter Wheat Program | - | - | - | - | - | - | - | **-** | 635 |
| Dylan Biggs Workshops | - | - | - | - | - | - | - | **-** | 7,000 |
| Transferred to Board Program | - | - | - | - | - | - | - | **-** | 6,281 |
| | 26,203 | 28,066 | 9,563 | 27,026 | 19,261 | 13,504 | 24,858 | **148,481** | 180,389 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | (122) | (115) | (243) | (49) | 65 | (1,239) | (221) | **(1,924)** | 5,410 |
| SURPLUS - Beginning of year | 15,231 | 27,444 | 4,645 | 842 | 34,085 | 9,887 | 23,960 | **116,094** | 110,684 |
| SURPLUS - End of year | 15,109 | 27,329 | 4,402 | 793 | 34,150 | 8,648 | 23,739 | **114,170** | 116,094 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 4

## EQUIPMENT PROGRAM #1
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2004

---

| | 2004 | 2003 |
|---|---|---|
| REVENUE | | |
| Equipment revenue | **18,983** | 14,793 |
| Gain on disposal of equipment | **-** | 3,819 |
| | **18,983** | 18,612 |
| EXPENSES | | |
| Repairs and maintenance | **14,443** | 8,161 |
| Amortization | **8,317** | 2,818 |
| License and insurance | **3,809** | 1,167 |
| | **26,569** | 12,146 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | **(7,586)** | 6,466 |
| SURPLUS (DEFICIENCY) - Beginning of year | **2,671** | (3,795) |
| SURPLUS (DEFICIENCY) - End of year | **(4,915)** | 2,671 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 5

## EQUIPMENT PROGRAM #2
## STATEMENT OF OPERATIONS AND SURPLUS
## YEAR ENDED MARCH 31, 2004

---

| | 2004 | 2003 |
|---|---|---|
| REVENUE | | |
| Equipment revenue | **20,765** | 42,485 |
| Gain on disposal of equipment | **2,500** | 1,278 |
| Transfer in from General Board Program | **3,810** | - |
| | **27,075** | 43,763 |
| EXPENSES | | |
| Insurance and licences | **1,832** | 1,626 |
| Repairs and maintenance | **18,967** | 36,790 |
| Small Tools | **3,810** | - |
| Transfer to General Board Program | **4,465** | 34,856 |
| | **29,074** | 73,272 |
| DEFICIENCY OF REVENUE OVER EXPENSES | **(1,999)** | (29,509) |
| SURPLUS - Beginning of year | **53,877** | 83,386 |
| SURPLUS - End of year | **51,878** | 53,877 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 6

## EQUIPMENT RESERVE
## STATEMENT OF OPERATIONS AND SURPLUS
## YEAR ENDED MARCH 31, 2004

| | **2004** | 2003 |
|---|---|---|
| REVENUE | - | - |
| EXPENSES | - | - |
| EXCESS OF REVENUE OVER EXPENSES | - | - |
| SURPLUS - Beginning of year | 32,000 | 32,000 |
| SURPLUS - End of year | 32,000 | 32,000 |

## NOTE 1 – OPERATIONS

The Turtle Mountain Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing resource programs and planning for sustainable soil and water management. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

## NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of all funds has not been provided, and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not all been adopted. Significant accounting policies include the following:

### REVENUE RECOGNITION

The Turtle Mountain Conservation District No. 4 follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. Donated assets are recorded at estimated fair market value. Proceeds of disposals, less carrying values of these assets, are reported in the statements of operations as gains or losses on disposal. Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

| | | Method | Rate |
|---|---|---|---|
| Building | | straight-line | 5% |
| Office equipment | | straight-line | 15% |
| Field equipment | - machinery | straight-line | 10% |
| | - vehicles | straight-line | 15% |
| Program support equipment | | straight-line | 10% |

### EQUIPMENT GRANTS

Claims for assistance under various equipment grant programs are reflected as revenue in the period in which eligible expenses are incurred.

### MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

## NOTES TO THE FINANCIAL STATEMENTS
## MARCH 31, 2004

---

### NOTE 3 – ACCOUNTS RECEIVABLE

| | **2004** | 2003 |
|---|---:|---:|
| Trade | **1,369** | 4,266 |
| GST | **924** | 2,347 |
| Province of Manitoba (Schedule 2) | **2,158** | 2,730 |
| Other Programs | **3,279** | 3,331 |
| | **7,730** | 12,674 |

### NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

| | 2004 | | | 2003 |
|---|---:|---:|---:|---:|
| | Cost | Accumulated Amortization | **Net Book Value** | Net Book Value |
| Building | 121,616 | 2,027 | **119,589** | - |
| Office equipment | 49,673 | 26,244 | **23,429** | 28,495 |
| Field equipment - machinery | 165,691 | 151,904 | **13,787** | 15,183 |
| - vehicles | 91,470 | 49,797 | **41,673** | 46,275 |
| Program support equipment | 20,758 | 7,575 | **13,183** | 13,445 |
| | 449,208 | 237,547 | **211,661** | 103,398 |

### NOTE 5 - FINANCIAL INSTRUMENTS

The organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amount of term deposits, accounts receivable, accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

### NOTE 6 – STATEMENT OF CASH FLOW

The Statement of Cash Flow has not been provided as it would not provide additional useful information.

### NOTE 7 – LEASE COMMITMENTS

The organization occupies leased premises on a month to month basis. Minimum quarterly payments are $1,838.

### NOTE 8 – COMMITMENTS

The organization has entered into an agreement with estimated minimum annual payments as follows:

| | |
|---|---:|
| 2005 | 1,777 |
| 2006 | 738 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

## NOTES TO THE FINANCIAL STATEMENTS
## MARCH 31, 2004

---

### NOTE 9 – INCOME TAXES

The organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the Turtle Mountain Conservation District No. 4 must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

### NOTE 10 – COMPARATIVE FIGURES

Certain of the current year figures are not comparable with the 2003 comparative figures as the District has adopted the Province of Manitoba's guidelines to classify salaries and costs related to the projects as the District deems appropriate.

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

## SCHEDULE OF COST SHARING
## YEAR ENDED MARCH 31, 2004

| | Total Expenditures | Provincial | District | | External |
|---|---|---|---|---|---|
| | | | Levies | Other | |
| ADMINISTRATION | | | | | |
| General | 33,368 | 25,026 | 8,342 | - | - |
| Other | 531 | - | - | 531 | - |
| | 33,899 | 25,026 | 8,342 | 531 | - |
| ASSETS | | | | | |
| Office Equipment | 1,164 | 873 | 291 | - | - |
| Vehicles/Machinery | 8,238 | 2,830 | 943 | 4,465 | - |
| Program Support Equipment | 1,566 | 1,174 | 392 | - | - |
| Inventory | 1,258 | 944 | 314 | - | - |
| Warehouse – prop & bldg | 121,616 | 7,500 | 2,500 | 111,616 | |
| Warehouse – expenses | 4,705 | 3,529 | 1,176 | | |
| Small Tools | 3,810 | 2,857 | 953 | | |
| Amortization | 16,004 | 1,286 | 429 | 14,289 | - |
| | 158,361 | 20,993 | 6,998 | 130,370 | - |
| PUBLIC EDUCATION | | | | | |
| Education | 116,828 | 87,621 | 29,207 | - | - |
| Interpretive Management Areas | 10,623 | 3,811 | 1,270 | 3,295 | 2,247 |
| Management Plan | 7,480 | 5,610 | 1,870 | - | - |
| Important Bird Area | 4,335 | - | - | - | 4,335 |
| Greencover Canada Program | 2,888 | - | - | - | 2,888 |
| ASI – Covering New Ground | 4,602 | - | - | - | 4,602 |
| | 146,756 | 97,042 | 32,347 | 3,295 | 14,072 |
| SOILS | | | | | |
| Forage Assistance | 36,365 | 24,274 | 8,091 | - | 4,000 |
| Shelterbelt Program | 47,924 | 23,915 | 7,971 | 4,038 | 12,000 |
| Land Management | 4,215 | 3,161 | 1,054 | - | - |
| PRBAB-Headwaters Region | 2,024 | - | - | - | 2,024 |
| MFC-Portable Windbreaks | 1,732 | 99 | 33 | - | 1,600 |
| Direct Expense | 642 | - | - | 642 | - |
| | 92,902 | 51,449 | 17,149 | 4,680 | 19,624 |
| WILDLIFE/FISHERIES | | | | | |
| Habitat Preservation | 15,975 | 6,562 | 2,188 | 2,975 | 4,250 |
| Waterfowl Habitat Lease | 2,841 | 68 | 23 | - | 2,750 |
| | 18,816 | 6,630 | 2,211 | 2,975 | 7,000 |

## TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

### SCHEDULE OF COST SHARING
### YEAR ENDED MARCH 31, 2004

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|  | Total |  | District |  |  |
|---|---|---|---|---|---|
|  | Expenditures | Provincial | Levies | Other | External |
| WATER PROGRAM |  |  |  |  |  |
| Maintenance | 38,169 | 27,230 | 9,077 | 1,862 | - |
| New Projects/Reconstruction | 53,639 | 33,336 | 11,112 | 9,191 | - |
| Well sealing | 13,257 | 6,102 | 2,034 | 1,327 | 3,794 |
| Road Allowance | 8,652 | 6,093 | 2,031 | 528 | - |
| Access Ramps/Remote Watering | 10,825 | 7,573 | 2,524 | 728 | - |
| Education | 1,842 | 1,382 | 460 | - | - |
| Other | 22,096 | 16,572 | 5,524 | - | - |
|  | 148,480 | 98,288 | 32,762 | 13,636 | 3,794 |
|  | 599,214 | 299,428 | 99,809 | 155,487 | 44,490 |

# TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 2

## SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
## YEAR ENDED MARCH 31, 2004

| | |
|---|---|
| PROVINCIAL GRANT, 2003 - 2004 | 300,000 |
| LESS, 2002 - 2003 Provincial Grant Receivable | 2,730 |
| | 297,270 |
| LESS, 2003 - 2004 Allocated Grant (Schedule 1) | 299,428 |
| PROVINCIAL GRANT RECEIVABLE, 2003 - 2004 | 2,158 |

**ZAPLITNY & ZAMRYKUT**
Chartered Accountants

F.D. Zaplitny, C.A.
D.A. Zamrykut, B.Comm., C.A.
S.D. Love, B.Comm., C.A.

510 Main St. N.
Dauphin, Manitoba, R7N 1C9

Telephone (204) 638-3543
Fax (204) 638-7738

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# TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

## FINANCIAL STATEMENT

## As at March 31st, 2004

# AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

We have audited the statement of financial position of Turtle River Watershed Conservation District #2 as at March 31st, 2004 and the other statements, being statement "1" to "6" inclusive which covers the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Watershed as at March 31st, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Zaplitny + Zamrykut

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
June 11th, 2004

## AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

We have audited the statement of financial position of Turtle River Watershed Conservation District #2 as at March 31st, 2004 and the other statements, being statement "1" to "6" inclusive which covers the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Watershed as at March 31st, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

PAUL Brunel - Chairman

Denis Magnet

Denis Magnet - Vicechair.

DAUPHIN, Manitoba
June 11th, 2004

STATEMENT "1"

# TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

## STATEMENT OF FINANCIAL POSITION
## As at March 31st, 2004 and 2003

| | General Board Fund | Flood Protection Reserve Fund | Emergency Reserve Fund | SD45 Levy Reserve Fund | SD46 Levy Reserve Fund | Land Development Reserve Fund | Equipment Reserve Fund | Infra-structure Reserve | 2004 Total | 2003 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Current Assets - | | | | | | | | | | |
| Cash on Hand and in Bank | $ 167,058 | | | | | | | | 167,058 | 105,844 |
| Short Term Investments | | 3,449 | | | | | | | 3,449 | 3,449 |
| Accounts Receivable-Note 4 | 12,908 | | | | | | | | 12,908 | 24,218 |
| Prov of Man Receivable-Note 3 | 3,303 | | | | | | | | 3,303 | 9,196 |
| Prepaid Expenses | 631 | | | | | | | | 631 | 6,070 |
| Inventory | 118,492 | | | | | | | | 118,492 | 98,246 |
| Total Current Assets | 302,392 | 3,449 | | | | | | | 305,841 | 247,023 |
| Capital Assets-Note 5 | 54,208 | | | | | | | | 54,208 | 45,197 |
| Total | $ 356,600 | 3,449 | | | | | | | 360,049 | 292,220 |
| Current Liabilities - | | | | | | | | | | |
| Accounts Payable-Note 6 | $ 1,849 | | | | | | | | 1,849 | 4,065 |
| Labour Crew Surcharge | 14,298 | | | | | | | | 14,298 | 6,926 |
| Prepaid Levy and Grant | 3,896 | | | | | | | | 3,896 | 1,322 |
| Prepaid Grant | 13,862 | | | | | | | | 13,862 | 13,811 |
| Due To(From) Other Funds | 140,866 | ( 8,619) | ( 26,342) | ( 5,475) | ( 8,057) | ( 324) | ( 82,449) | ( 9,600) | | |
| Total Current Liabilities | 174,771 | ( 8,619) | ( 26,342) | ( 5,475) | ( 8,057) | ( 324) | ( 82,449) | ( 9,600) | 33,905 | 26,124 |
| Fund Balances - | | | | | | | | | | |
| Invested in Capital Assets | 54,208 | | | | | | | | 54,208 | 45,197 |
| Internally Restricted | | 12,068 | 26,342 | 5,475 | 8,057 | 324 | 82,449 | 9,600 | 144,315 | 111,970 |
| Unrestricted | 127,621 | | | | | | | | 127,621 | 108,929 |
| | 181,829 | 12,068 | 26,342 | 5,475 | 8,057 | 324 | 82,449 | 9,600 | 326,144 | 266,096 |
| Total | $ 356,600 | 3,449 | NIL | NIL | NIL | NIL | NIL | NIL | 360,049 | 292,220 |

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

# TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

## STATEMENT OF CHANGES IN NET ASSETS
## As at March 31st, 2004 and 2003

| | General Board Fund | Flood Protection Reserve Fund | Emergency Reserve Fund | SD45 Levy Reserve Fund | SD46 Levy Reserve Fund | Land Development Reserve Fund | Equipment Reserve Fund | Infra-structure Reserve | 2004 Total | 2003 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Assets, Beginning of Year | $ 154,126 | 12,925 | 15,533 | 2,954 | 3,182 | 324 | 72,252 | 4,800 | 266,096 | 248,147 |
| Excess of Revenue Over/(Under) Expenditures | 38,302 | | | | | | 18,139 | | 56,441 | 19,537 |
| Transfer (To)/From Other Funds | ( 14,206) | ( 857) | 10,809 | 2,521 | 4,875 | | ( 7,942) | 4,800 | | |
| Inventory Adjustment | 3,607 | | | | | | | | 3,607 | ( 1,588) |
| Net Assets, End of Year | $ 181,829 | 12,068 | 26,342 | 5,475 | 8,057 | 324 | 82,449 | 9,600 | 326,144 | 266,096 |

(The accompanying notes are an integral part of these financial statements)

# TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

## NOTES TO FINANCIAL STATEMENTS
## March 31st 2004

### 1. Incorporation & Commencement of Operations -

Turtle River Watershed Conversation District #2 was incorporated under the laws of the Province of Manitoba and commenced operations in 1976.

Organization -

Turtle River Watershed Conversation District #2 operates under the authority of the Conservation Districts Act. The objective for the District under the Act are to provide for the conservation control and prudent use of resources.

### 2. Significant Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Investments -

Investments are recorded at the lower of cost and net realizable value.

Capital Assets -

Capital Assets are recorded at cost and depreciation is provided for in the accounts calculated on the Straight-Line basis in accordance with their useful life on the following basis:

| | |
|---|---|
| Office Equipment | 15% |
| Computer Equipment | 20% |
| Storage Yard Fence | 5% |
| Tools & Equipment | 20% |
| Building | 4% |
| Truck | 25 |
| Tractor | 20% |
| Leasehold Improvements | Amortized over remaining term of lease of 36 months |

Income Taxes -

Turtle River Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -

The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

### 3. Accounts Receivable - Province of Manitoba -

| | | 2004 | 2003 |
|---|---|---|---|
| Amount at Beginning of Year | $ | 9,196 | 22,448 |
| Add - Allocated to Watershed Programs - General Board | | 394,107 | 386,748 |
| | | 403,303 | 409,196 |
| Less - Grant Received | | 400,000 | 400,000 |
| Balance, End of Year | $ | 3,303 | 9,196 |

### 4. Accounts Receivable -

| | | 2004 | 2003 |
|---|---|---|---|
| GST Recoverable | $ | 4,525 | 5,402 |
| Rural Municipalities and Villages | | 6,787 | 18,136 |
| Staff - GIC's | | 1,280 | 680 |
| Other | | 316 | |
| | $ | 12,908 | 24,218 |

# TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

## NOTES TO FINANCIAL STATEMENTS
March 31st, 2004

5. Fixed Assets -

| | Cost | Accumulated Depreciation | 2004 Book Value | 2003 Book Value |
|---|---|---|---|---|
| Office Equipment & Computers | $ 47,766 | 38,491 | 9,275 | 7,066 |
| Fence | 4,863 | 4,782 | 81 | 324 |
| Trucks | 87,146 | 85,181 | 1,965 | 9,826 |
| Tools | 24,855 | 23,444 | 1,411 | 437 |
| Building | 28,213 | 16,317 | 11,896 | 13,024 |
| Plastic Mulcher | 1,469 | 1,469 | NIL | NIL |
| Tractor, Drill, Sprayer | 54,981 | 48,481 | 6,500 | 12,500 |
| Trailers | 5,312 | 5,312 | NIL | 104 |
| Leasehold Improvements | 7,143 | 7,143 | NIL | 1,588 |
| L.C. Water Tank | 452 | 192 | 260 | 328 |
| Pipeline Plough | 13,905 | 2,549 | 11,356 | |
| Office Garage | 11,541 | 77 | 11,464 | |
| | $ 287,646 | 233,438 | 54,208 | 45,197 |

6. Accounts Payable -

| | 2004 | 2003 |
|---|---|---|
| Trade Payables | $ 1,579 | 1,050 |
| O/S Land Issues | 270 | 3,015 |
| | $ 1,849 | 4,065 |

7. Land Acquisitions -

In accordance with district policy, land acquisitions are expensed in the year purchased. For information purposes, inventories of land parcels owned by the district are as follows:

| Description | Purchase Date | Purchase Price |
|---|---|---|
| N 1/2 of 31-23-17WPM | Dec 19/86 | $ 21,500 |
| SE 1/4 of 27-20-14WPM | Mar 14/88 | 7,500 |
| SW 1/4 of 19-22-17WPM | June 28/89 | 20,000 |
| NE 1/4 22-20-14WPM | April 8/91 | 8,800 |
| SW 1/4 24-23-18WPM | Aug 10/90 | 22,500 |
| S 1/2 of 22-22-14WPM | May 2/89 | 13,000 |
| NE 1/4 of 1-22-14WPM | Mar 8/91 | 10,000 |
| SW 1/4 of 8-24-17WPM | Apr 27/92 | 14,500 |
| PT of SE of 20-24-17WPM | Sept 8/94 | 4,132 |
| NW of 30-23-17WPM | 1996 | 17,500 |
| SE 1/4 of 25-23-18WPM | May 1/96 | 17,500 |
| NE 1/4 25-23-18WPM | 1997 | 25,000 |
| NW 1/4 25-25-18WPM | 1997 | 25,000 |
| PT of N1/2 24-23-18WPM | 1998 | 10,700 |

STATEMENT "3"

## TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
## GENERAL BOARD FUND

### STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2004 and 2003

| | 2004 | 2003 |
|---|---|---|
| Revenue - | | |
| Municipal Levies & Grants | $ 148,401 | 153,599 |
| Province of Manitoba Allocated Grant-Statement "5" | 394,107 | 386,748 |
| Other Grants | 12,097 | 59,776 |
| Custom Work | 5,085 | 10,562 |
| Land Owner Revenue | 795 | 902 |
| Interest Income | 1,136 | 932 |
| Other Income | 1,855 | 1,192 |
| Gain (Loss) on Disposal of Asset | | ( 1,624) |
| | 563,476 | 612,087 |
| Expenditures - | | |
| Board Remuneration | 24,908 | 20,403 |
| Administration | 17,262 | 20,760 |
| Wages and Benefits | 83,355 | 90,782 |
| Staff Expenses | 10,037 | 13,088 |
| DFO Summer Student | | 6,574 |
| Office Rent | 7,417 | 7,453 |
| Annual Dinner Expense | 2,346 | 719 |
| MCDA Dues | 3,000 | 4,500 |
| Educational Activities | 8,759 | 9,921 |
| Custom Work | 5,085 | 10,562 |
| Cows & Creeks Workshop | | 964 |
| Forage Assistance | 9,653 | |
| Wildlife Incentive | | 366 |
| Grassed Waterway | | 4,377 |
| Land Management Services | 1,660 | 8,377 |
| Drain Cleanouts | 104,601 | 119,482 |
| Brushing and Spraying | 48,864 | 57,840 |
| General Maintenance | 26,548 | 29,156 |
| On-Site | | 2,695 |
| Union Expenses | | 34,617 |
| DNR Surveying | 10,127 | 2,310 |
| Crossing Repairs | 14,905 | 29,177 |
| Crossing Replacements | 60,966 | 53,202 |
| Program Evaluation (Summer Student) | 5,476 | 508 |
| Consultant Fees | 19,605 | 22,415 |
| Labour Crew Costs | 21,668 | 19,753 |
| Shed Expenses | 1,883 | 2,035 |
| Bank Stabilization | 2,052 | 3,916 |
| Erosion Control | 3,340 | 13,423 |
| Plastic Mulch Program | 1,506 | 424 |
| Abandoned Well Sealings | 2,008 | 4,328 |
| Legal Surveys | 4,693 | 624 |
| S.R.F.P.S. | 857 | 857 |
| Depreciation Expense | 22,593 | 20,252 |
| | 525,174 | 615,860 |
| Excess Revenues Over/(Under) Expenditures | $ 38,302 | ( 3,773) |

(The accompanying notes are an integral part of these financial statements)

## TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
## EQUIPMENT RESERVE FUND

### STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2004 and 2003

| | | 2004 | 2003 |
|---|---|---|---|
| Revenues - | | | |
| Truck | $ | 23,882 | 35,571 |
| Tractor | | 8,625 | 9,275 |
| Labour Crew Tools and Equipment | | 2,780 | 2,813 |
| Trailer | | 1,013 | 25 |
| | | 36,300 | 47,684 |
| Expenditures - | | | |
| Truck | | 15,447 | 20,738 |
| Tractor | | 1,596 | 2,145 |
| Labour Crew Tools and Equipment | | 1,094 | 812 |
| Trailer | | 24 | 679 |
| | | 18,161 | 24,374 |
| Excess of Revenue Over/(Under) Expenditures | $ | 18,139 | 23,310 |

(The accompanying notes are an integral part of these financial statements)

STATEMENT "5"

## TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

### STATEMENT OF CASH FLOWS

For the Years Ended March 31st, 2004 and 2003

| | 2004 | 2003 |
|---|---|---|
| Cash Provided by (Used in) Operating Activities - | | |
| Excess of Revenue Over/(Under) Expenditure | $ 56,441 | 19,537 |
| Non-Cash Items included in Expenditures: | | |
| Depreciation | 22,593 | 20,252 |
| Loss on Disposal of Asset | | 1,624 |
| Inventory Adjustment | 3,607 | (1,588) |
| | 82,641 | 39,825 |
| Changes in Non-Cash Working Capital Components - | | |
| Accounts Receivable | 11,310 | 32,216 |
| Province of Manitoba Receivable | 5,893 | 13,252 |
| Prepaid Expenses | 5,439 | (5,446) |
| Inventory | (20,246) | (3,573) |
| Accounts Payable | (2,216) | (13,796) |
| Labour Crew Surcharge | 7,372 | 4,076 |
| Prepaid Levy and Grant | 2,625 | 5,805 |
| | 10,177 | 32,534 |
| Investing - | | |
| Purchase of Capital Assets | (31,604) | (4,067) |
| Increase (Decrease) in Cash | 61,214 | 68,292 |
| Cash, Beginning of Year | 105,844 | 37,552 |
| Cash, End of Year | $ 167,058 | 105,844 |

(The accompanying notes are an integral part of these financial statements)

STATEMENT "6"

## TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

### SCHEDULE OF PROVINCIAL CONTRIBUTIONS
### For the Year Ended March 31st, 2004

| | Total | % Shareable Prov/District or External | Provincial Share | District & Other Share |
|---|---|---|---|---|
| Administration - | | | | |
| Office Operation | $ 31,005 | 75/25 | 23,254 | 7,751 |
| Public Education - | | | | |
| Demo Days/Tours | 1,403 | 75/25 | 1,052 | 351 |
| Advertising/Signage | 3,375 | 75/25 | 2,531 | 844 |
| Educational Activities | 3,981 | 75/25 | 2,986 | 995 |
| Annual Dinner Expense | 2,346 | 75/25 | 1,760 | 586 |
| MCDA Dues | 3,000 | 75/25 | 2,250 | 750 |
| Board Remuneration | 24,908 | 75/25 | 18,681 | 6,227 |
| Wildlife/Fisheries - | | | | |
| Incentive Program | 4,644 | 72/28 | 3,366 | 1,278 |
| Bank Stabilization | 6,696 | 73/27 | 4,904 | 1,792 |
| Soils - | | | | |
| Forage | 12,439 | 74/26 | 9,259 | 3,180 |
| Bufferstrips | 2,786 | 72/28 | 2,019 | 767 |
| Grassed Waterways | 2,786 | 72/28 | 2,020 | 766 |
| Offsite Watering | 2,786 | 72/28 | 2,020 | 766 |
| Plastic Mulch | 4,292 | 73/27 | 3,149 | 1,143 |
| Water - | | | | |
| Erosion Control | 13,982 | 73/27 | 10,220 | 3,762 |
| Abandoned Well Sealing | 12,649 | 65/35 | 8,217 | 4,432 |
| Drain Maintenance | 37,191 | 74/26 | 27,627 | 9,564 |
| Drain Cleanouts | 115,243 | 75/25 | 86,165 | 29,078 |
| Brushing | 59,121 | 75/25 | 44,073 | 15,048 |
| Spraying | 11,026 | 73/27 | 8,002 | 3,024 |
| SRFPS | 857 | 0/100 | | 857 |
| Eng, Surveys & Consulting | 23,455 | 75/25 | 17,592 | 5,863 |
| Crossings - | | | | |
| Repair | 29,417 | 74/26 | 21,699 | 7,718 |
| Replacement | 75,478 | 75/25 | 56,244 | 19,234 |
| Eng, Surveys & Consulting | 12,630 | 75/25 | 9,473 | 3,157 |
| Other - | | | | |
| Inventory Sales | ( 49,302) | 75/25 | ( 36,977) | ( 12,325) |
| Inventory Purchases | 66,538 | 75/25 | 49,904 | 16,634 |
| GPS | 247 | 75/25 | 185 | 62 |
| Administrators Computer | 1,805 | 37/63 | 670 | 1,135 |
| Lexmark Printer | 275 | 75/25 | 206 | 69 |
| 2 Chain Saws | 1,287 | 75/25 | 965 | 322 |
| Laptop Computer | 2,580 | 75/25 | 1,935 | 645 |
| Office Garage | 11,541 | 75/25 | 8,656 | 2,885 |
| Pipeline Plough | 13,905 | 0/100 | | 13,905 |
| Custom Work | 5,085 | 0/100 | | 5,085 |
| Depreciation | 22,593 | 0/100 | | 22,593 |
| | $ 574,050 | | 394,107 | 179,943 |

(The accompanying notes are an integral part of these financial statements)

# TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

## NOTES TO FINANCIAL STATEMENTS
## March 31st 2004

1. Incorporation & Commencement of Operations -

Turtle River Watershed Conversation District #2 was incorporated under the laws of the Province of Manitoba and commenced operations in 1976.

Organization -

Turtle River Watershed Conversation District #2 operates under the authority of the Conservation Districts Act. The objective for the District under the Act are to provide for the conservation control and prudent use of resources.

2. Significant Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Investments -

Investments are recorded at the lower of cost and net realizable value.

Capital Assets -

Capital Assets are recorded at cost and depreciation is provided for in the accounts calculated on the Straight-Line basis in accordance with their useful life on the following basis:

| | |
|---|---|
| Office Equipment | 15% |
| Computer Equipment | 20% |
| Storage Yard Fence | 5% |
| Tools & Equipment | 20% |
| Building | 4% |
| Truck | 25% |
| Tractor | 20% |
| Leasehold Improvements | Amortized over remaining term of lease of 36 months |

Income Taxes -

Turtle River Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -

The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

3. Accounts Receivable - Province of Manitoba -

| | | 2004 | 2003 |
|---|---|---|---|
| Amount at Beginning of Year | $ | 9,196 | 22,448 |
| Add - Allocated to Watershed Programs - General Board | | 394,107 | 386,748 |
| | | 403,303 | 409,196 |
| Less - Grant Received | | 400,000 | 400,000 |
| Balance, End of Year | $ | 3,303 | 9,196 |

4. Accounts Receivable -

| | | 2004 | 2003 |
|---|---|---|---|
| GST Recoverable | $ | 4,525 | 5,402 |
| Rural Municipalities and Villages | | 6,787 | 18,136 |
| Staff - GIC's | | 1,280 | 680 |
| Other | | 316 | |
| | $ | 12,908 | 24,218 |

# TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

## NOTES TO FINANCIAL STATEMENTS
March 31st, 2004

5. Fixed Assets -

| | Cost | Accumulated Depreciation | 2004 Book Value | 2003 Book Value |
|---|---|---|---|---|
| Office Equipment & Computers | $ 47,766 | 38,491 | 9,275 | 7,066 |
| Fence | 4,863 | 4,782 | 81 | 324 |
| Trucks | 87,146 | 85,181 | 1,965 | 9,826 |
| Tools | 24,855 | 23,444 | 1,411 | 437 |
| Building | 28,213 | 16,317 | 11,896 | 13,024 |
| Plastic Mulcher | 1,469 | 1,469 | NIL | NIL |
| Tractor, Drill, Sprayer | 54,981 | 48,481 | 6,500 | 12,500 |
| Trailers | 5,312 | 5,312 | NIL | 104 |
| Leasehold Improvements | 7,143 | 7,143 | NIL | 1,588 |
| L.C. Water Tank | 452 | 192 | 260 | 328 |
| Pipeline Plough | 13,905 | 2,549 | 11,356 | |
| Office Garage | 11,541 | 77 | 11,464 | |
| | $ 287,646 | 233,438 | 54,208 | 45,197 |

6. Accounts Payable -

| | 2004 | 2003 |
|---|---|---|
| Trade Payables | $ 1,579 | 1,050 |
| O/S Land Issues | 270 | 3,015 |
| | $ 1,849 | 4,065 |

7. Land Acquisitions -

In accordance with district policy, land acquisitions are expensed in the year purchased. For information purposes, inventories of land parcels owned by the district are as follows:

| Description | Purchase Date | Purchase Price |
|---|---|---|
| N 1/2 of 31-23-17WPM | Dec 19/86 | $ 21,500 |
| SE 1/4 of 27-20-14WPM | Mar 14/88 | 7,500 |
| SW 1/4 of 19-22-17WPM | June 28/89 | 20,000 |
| NE 1/4 22-20-14WPM | April 8/91 | 8,800 |
| SW 1/4 24-23-18WPM | Aug 10/90 | 22,500 |
| S 1/2 of 22-22-14WPM | May 2/89 | 13,000 |
| NE 1/4 of 1-22-14WPM | Mar 8/91 | 10,000 |
| SW 1/4 of 8-24-17WPM | Apr 27/92 | 14,500 |
| PT of SE of 20-24-17WPM | Sept 8/94 | 4,132 |
| NW of 30-23-17WPM | 1996 | 17,500 |
| SE 1/4 of 25-23-18WPM | May 1/96 | 17,500 |
| NE 1/4 25-23-18WPM | 1997 | 25,000 |
| NW 1/4 25-25-18WPM | 1997 | 25,000 |
| PT of N1/2 24-23-18WPM | 1998 | 10,700 |

Appendix N

Bellas & Reid

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

## FINANCIAL STATEMENTS

For the year ended 31st March 2004

Bellas & Reid

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

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Bellas & Reid

## AUDITORS' REPORT

**To the Board of Directors:**
**Upper Assiniboine River Conservation District No. 8**
**Miniota, Manitoba**

We have audited the balance sheet of **Upper Assiniboine River Conservation District No. 8** as at **31st March 2004** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **31ST MARCH 2004** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

Russell, Manitoba
May 20, 2004

Bellas & Reid
CHARTERED ACCOUNTANTS

Chartered Accountants
Providing Business Solutions
Partners • Kenneth W. Bellas, B.Sc., C.A. • Harold E. Reid, B. Comm. (Hons.), C.A.
Associates • Audra Nychuk, B.Comm. (Hons.), C.A. • Leonard Wagner, C.G.A.
Langenburg • Russell • Shoal Lake • Brandon

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
## BALANCE SHEET
For the year ended 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT** | | |
| Cash | $ 82,315 | $ 93,799 |
| Accounts receivable(Note 2) | 17,991 | 52,462 |
| GST receivable | 3,940 | 4,174 |
| Provincial grant receivable (Note 12) | 2,891 | 5,469 |
| Inventories (Note 2) | 1,567 | 1,385 |
| Prepaid expenses | 5,297 | 2,834 |
| | 114,001 | 160,123 |
| **PROPERTY, PLANT AND EQUIPMENT** (Notes 2 and 3) | 121,239 | 92,209 |
| **PATRONAGE DIVIDENDS** | 2,782 | 2,156 |
| | $ 238,022 | $ 254,488 |
| **LIABILITIES** | | |
| **CURRENT** | | |
| Accounts payable (Note 4) | $ 43,287 | $ 84,080 |
| **SURPLUS** | | |
| **INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT** (Note 8) | 121,239 | 92,209 |
| **SURPLUS** | 73,496 | 78,199 |
| | 194,735 | 170,408 |
| | $ 238,022 | $ 254,488 |

APPROVED ON BEHALF OF THE BOARD:

Director

Leonard Sitko Director

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

## STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

For the year ended 31st March 2004

| | 2004 | 2003 |
|---|---|---|
| **REVENUE** | | |
| Grant - Province of Manitoba | $ 247,422 | $ 243,861 |
| Municipal grants (Note 9) | 83,238 | 83,276 |
| Landowner | 38,430 | 48,778 |
| External funding | 35,694 | 49,662 |
| Board truck revenue | 9,208 | |
| Interest | 5,719 | 6,230 |
| | 419,711 | 431,807 |
| **EXPENDITURE** | | |
| Board truck expenses | 2,394 | |
| Office operation | 42,220 | 41,234 |
| Public education | 97,223 | 69,775 |
| Soil programs | 60,804 | 112,774 |
| Water programs | 186,967 | 176,392 |
| Wildlife | 5,776 | 4,800 |
| | 395,384 | 404,975 |
| **REVENUE OVER EXPENDITURE** | 24,327 | 26,832 |
| **OTHER ITEM** | | |
| Investment in property, plant and equipment | (29,030) | (17,154) |
| **NET INCOME (LOSS) FOR YEAR** | (4,703) | 9,678 |
| **SURPLUS, BEGINNING OF YEAR** | 78,199 | 68,521 |
| **SURPLUS, END OF YEAR** | $ 73,496 | $ 78,199 |

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
## STATEMENT OF CASH FLOWS
**For the year ended 31st March 2004**

| | 2004 | 2003 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income (loss) for year | $ (4,703) | $ 9,678 |
| Changes in non-cash working capital (Note 5) | (6,155) | 627 |
| | (10,858) | 10,305 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | (29,030) | (17,154) |
| Change in other long-term assets | (626) | |
| | (29,656) | (17,154) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Change in other surplus accounts | 29,030 | 17,154 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (11,484) | 10,305 |
| **CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** | 93,799 | 83,494 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 82,315 | $ 93,799 |

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

## NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March 2004

---

### 1. ENTITY DEFINITION

The Upper Assiniboine River Conservation District No. 8 was formed in 1996 to aid in the conservation of natural resources in the Municipalities of Archie, Birtle, Ellice, Hamiota, Miniota, Rossburn, Shoal Lake, Wallace and Woodworth.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The organization is no longer recording amortization for property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

## NOTES TO FINANCIAL STATEMENTS

**For the year ended 31st March 2004**

### 3. PROPERTY, PLANT AND EQUIPMENT

| | Balance, Beginning of Year | Additions | Disposals | Balance, End of Year |
|---|---|---|---|---|
| Office equipment | $ 34,495 | 10,571 | | $ 45,066 |
| Automotive equipment | 36,953 | 18,190 | | 55,143 |
| Trailer equipment | 2,580 | | | 2,580 |
| Surveying equipment | 16,643 | | | 16,643 |
| Water testing equipment | 3,636 | | | 3,636 |
| Pipeline plow | 5,981 | | | 5,981 |
| Watering demonstration system | 14,388 | 269 | | 14,657 |
| | 114,676 | 29,030 | | 143,706 |
| **ACCUMULATED AMORTIZATION** | | | | |
| Office equipment | 8,393 | | | 8,393 |
| Automotive equipment | 11,473 | | | 11,473 |
| Trailer equipment | 210 | | | 210 |
| Surveying equipment | 2,073 | | | 2,073 |
| Water testing equipment | 318 | | | 318 |
| | 22,467 | | | 22,467 |
| **NET BOOK VALUE** | $ 92,209 | | | $ 121,239 |

### 4. ACCOUNTS PAYABLE

| | 2004 | 2003 |
|---|---|---|
| Trade | $ 43,287 | $ 84,080 |

### 5. CHANGES IN NON-CASH WORKING CAPITAL

| | 2004 | 2003 |
|---|---|---|
| **Change in cash from changes in:** | | |
| Accounts receivable | $ 34,471 | $ 3,281 |
| Inventories | (182) | 290 |
| Prepaid expenses | (2,463) | (504) |
| Other assets | 2,812 | (5,797) |
| Deferred expenses | | (1,386) |
| Accounts payable | (40,793) | 4,743 |
| | $ (6,155) | $ 627 |

### 6. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

## NOTES TO FINANCIAL STATEMENTS

**For the year ended 31st March 2004**

### 7. ECONOMIC DEPENDENCE

Upper Assiniboine River Conservation District receives at least 60% of its operating revenue from the Province of Manitoba and is economically dependent on it.

### 8. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

### 9. MUNICIPAL GRANTS

Grants received from local governments involved in the conservation district are the following:

| | 2004 | 2003 |
|---|---|---|
| R.M. of Archie | $ 5,664 | $ 5,664 |
| R.M. of Birtle | 11,608 | 11,608 |
| R.M. of Ellice | 5,479 | 5,479 |
| R.M. of Hamiota | 9,763 | 9,763 |
| R.M. of Miniota | 9,405 | 9,405 |
| R.M. of Rossburn | 6,465 | 6,465 |
| R.M. of Shoal Lake | 7,149 | 7,149 |
| R.M. of Wallace | 12,440 | 12,440 |
| R.M. of Woodworth | 12,951 | 12,989 |
| Town of Birtle | 614 | 614 |
| Town of Rossburn | 311 | 311 |
| Town of Shoal Lake | 913 | 913 |
| Village of Hamiota | 476 | 476 |
| | $ 83,238 | $ 83,276 |

### 10. REGISTERED CHARITY

Upper Assiniboine River Conservation District No. 8 is now a registered charity. The conservation district is now capable of issuing out charitable donation receipts. There is no change to the GST method of reporting and the rebate allowed still falls under municipal government at 57.14%. As of February 1, 2004 municipal governments will be allowed to claim 100% of the ITCs they pay as will the Conservation District.

## 11. FINANCIAL INSTRUMENTS

### Credit risk management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

## 12. PROVINCIAL GRANT RECEIVABLE/PAYABLE

| | 2004 | 2003 |
|---|---|---|
| Grant - Province of Manitoba | $ 250,000 | $ 240,000 |
| Less: Prior year receivable | 5,469 | 1,608 |
| GRANT RECEIVED | 244,531 | 238,392 |
| Less: Provincial allocation | 247,422 | 243,861 |
| RECEIVABLE - PROVINCE OF MANITOBA | $ 2,891 | $ 5,469 |

# UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO.8

## SCHEDULE OF PROVINCIAL CONTRIBUTIONS

For the year ended 31st March 2004

| PROJECTS & PROGRAMS | Total Expenditures | Provincial | Levies | Landowner | External |
|---|---|---|---|---|---|
| **PROGRAM MANAGEMENT** | | | | | |
| Program support/planning | 19,406 | 13,882 | 4,628 | 110 | 786 |
| Office operation | 22,814 | 17,111 | 5,703 | | |
| | 42,220 | 30,993 | 10,331 | 110 | 786 |
| **PUBLIC EDUCATION** | | | | | |
| Advertising/meetings/courses | 31,454 | 23,590 | 7,864 | | |
| Conservation in the Classroom | 7,040 | 1,396 | 465 | | 5,179 |
| General education | 55,729 | 39,894 | 13,298 | | 2,537 |
| MCDA dues | 3,000 | 2,250 | 750 | | |
| | 97,223 | 67,130 | 22,377 | | 7,716 |
| **SOIL PROGRAMS** | | | | | |
| Winter cereals | 5,671 | 4,253 | 1,418 | | |
| Forage seed | 27,684 | 11,994 | 3,998 | 11,692 | |
| General soils | 25,664 | 9,074 | 3,025 | 2,910 | 10,655 |
| Rotational grazing - fencing | 1,785 | 1,339 | 446 | | |
| | 60,804 | 26,660 | 8,887 | 14,602 | 10,655 |
| **WATER MANAGEMENT** | | | | | |
| Abandoned wells | 22,441 | 12,210 | 4,070 | 1,428 | 4,733 |
| Livestock crossing | 30,767 | 17,111 | 5,704 | 7,952 | |
| Grassed runways/gully | 34,630 | 25,978 | 8,652 | | |
| Small dams/shale traps/other | 59,618 | 29,460 | 9,820 | 14,338 | 6,000 |
| Alternative watering system | 24,371 | 18,279 | 6,092 | | |
| Maintenance | 15,140 | 11,355 | 3,785 | | |
| | 186,967 | 114,396 | 38,123 | 23,718 | 10,733 |
| **WILDLIFE** | | | | | |
| Salinity seed | 5,776 | 289 | 97 | | 5,390 |
| **BOARD TRUCK** | | | | | |
| Board truck expense | 2,394 | | 2,394 | | |
| **SUBTOTAL** | **395,384** | **239,465** | **82,209** | **38,430** | **35,280** |
| **ASSETS PURCHASED** | | | | | |
| Property, plant and equipment | 29,030 | 7,820 | 20,796 | | 414 |
| Inventory adjustment | 183 | 137 | 46 | | |
| | 29,213 | 7,957 | 20,842 | | 414 |
| **TOTAL EXPENDITURE** | **424,597** | **247,422** | **103,051** | **38,430** | **35,694** |

(Unaudited)

# WEST SOURIS RIVER CONSERVATION DISTRICT

## FINANCIAL STATEMENTS
## MARCH 31, 2004

MNP

# WEST SOURIS RIVER CONSERVATION DISTRICT

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### MARCH 31, 2004

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MNP
MEYERS NORRIS PENNY LLP

MANAGEMENT'S RESPONSIBILITY

To the Board of Directors of West Souris River Conservation District:

Management has the responsibility for preparing the accompanying financial statements and ensuring that information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Board of Directors is composed entirely of directors who are neither management nor employees of the organization.

External auditors are appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both management and the Board to discuss their audit findings.

Glen Campbell
Manager

Ina Cook
Financial Administrator

an independent member of
BAKER TILLY
INTERNATIONAL

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
233 QUEEN ST. W., BOX 670, VIRDEN, MB R0M 2C0
PH. (204) 748-1340 FAX (204) 748-3294 www.mnp.ca

MNP
MEYERS NORRIS PENN

The Board of Directors
West Souris River Conservation District

## AUDITORS' REPORT

We have examined the statement of financial position of the West Souris River Conservation District as at March 31, 2004 and the statements of operations and related schedules for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The statement of operations has not combined the transactions of the bursary fund or other restricted funds with those of the Revenue fund. Had the statement of operations included the changes in net assets restricted for bursary purposes and the changes in other internally restricted net assets, the excess of expenses over revenues would have been $19,628 ($5,878 in 2003).

In our opinion, except that the statement of operations does not include the changes in internally restricted net assets or changes in net assets restricted for bursary purposes as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

June 22, 2004
Virden, Manitoba

# WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 1

## STATEMENT OF FINANCIAL POSITION
MARCH 31, 2004

| | 2003 | 2004 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash | 27,147 | 49,057 |
| Accounts receivable (Note 3) | 71,729 | 24,856 |
| Inventory | 2,444 | 2,444 |
| | 101,320 | 76,357 |
| CASH - RESTRICTED | 23,598 | 23,104 |
| PROPERTY PLANT AND EQUIPMENT (Note 4) | 224,419 | 235,155 |
| OTHER | | |
| Patronage equity account | 1,359 | 1,466 |
| | 350,696 | 336,082 |
| **LIABILITIES** | | |
| CURRENT | | |
| Bank indebtedness | - | 14,594 |
| Accounts payable and accruals | 70,772 | 23,542 |
| Unearned revenue | - | 10,663 |
| Deferred revenue | 40,653 | 38,137 |
| Current portion of long-term debt | 9,321 | 12,057 |
| | 120,746 | 98,993 |
| LONG-TERM DEBT (Note 5) | 111,522 | 99,033 |
| **NET ASSETS** | | |
| UNRESTRICTED NET ASSETS (NOTE 6) | | |
| Balance - Beginning of year | 68,042 | 62,110 |
| Excess (deficiency) of revenue over expenses | (5,932) | 20,122 |
| Balance - End of year | 62,110 | 82,232 |
| INTERNALLY RESTRICTED NET ASSETS (Note 7) | 32,720 | 32,720 |
| NET ASSETS RESTRICTED FOR BURSARY PURPOSES (Note 8) | 23,598 | 23,104 |
| | 350,696 | 336,082 |

ON BEHALF OF THE BOARD:

Gregg [illegible] ........ DIRECTOR

Lloyd Atkinson ........ DIRECTOR

MNP

# WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 2

## STATEMENT OF OPERATIONS
## YEAR ENDED MARCH 31, 2004

| | 2003 | **2004** |
|---|---|---|
| REVENUES | | |
| Grants (Note 9) | 263,896 | **276,295** |
| Municipal Levies (Note 10) | 67,024 | **67,000** |
| Programs | 72,119 | **40,992** |
| Employment projects | 2,407 | **-** |
| Equipment rental | 13,403 | **2,350** |
| Interest and patronage allocations | 724 | **687** |
| Other | 17,731 | **10,095** |
| TOTAL REVENUES | 437,304 | **397,419** |
| EXPENSES | | |
| General and administration | | |
| Heat, light and water | 1,722 | **1,725** |
| Interest and bank charges | 4 | **11** |
| Interest - long-term debt | 8,648 | **8,255** |
| Memberships | 3,000 | **3,000** |
| Office | 13,450 | **15,031** |
| Professional fees | 839 | **834** |
| Small tools | - | **277** |
| Property taxes | 289 | **289** |
| Telephone | 5,503 | **5,196** |
| Wages and employee benefits | 6,456 | **3,900** |
| | 39,911 | **38,518** |
| Program delivery costs | | |
| Advertising | 8,832 | **6,422** |
| Amortization | 30,533 | **31,272** |
| Board remuneration | 8,034 | **7,283** |
| Forage Program | 44,822 | **-** |
| Project support/planning | 32,527 | **10,164** |
| Public education - general | 3,460 | **31,270** |
| - other | 7,477 | **2,579** |
| Seminar and conferences | 10,093 | **5,194** |
| Sub-district programs (Schedule 1) | 257,967 | **245,095** |
| | 403,745 | **339,279** |
| TOTAL EXPENSES | 443,656 | **377,797** |
| INCOME (LOSS) FROM OPERATIONS | (6,352) | **19,622** |
| OTHER INCOME | | |
| Gain on disposal of property, plant and equipment | 420 | **500** |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | (5,932) | **20,122** |

# WEST SOURIS RIVER CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2004

---

### NOTE 1 - OPERATIONS

The West Souris River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

### NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of the Revenue fund, the Bursary fund and the restricted funds has not been provided and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not been adopted. Significant accounting policies include the following:

### REVENUE RECOGNITION

West Souris River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

### INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. Donated equipment is recorded at estimated fair market value. Proceeds of disposals, less carrying values of these assets, are reported in the statement of operations as gains or losses on disposal. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

| | Method | Rate |
|---|---|---|
| Building | straight-line | 5% |
| Equipment - self-propelled | straight-line | 15% |
| - pull-type | straight-line | 10% |
| - office | straight-line | 10% |

# WEST SOURIS RIVER CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS
## MARCH 31, 2004

---

### NOTE 2 - ACCOUNTING POLICIES CONTINUED

### PROPERTY, PLANT AND EQUIPMENT GRANTS

Claims for assistance under various capital asset grant programs are reflected as revenue in the period in which eligible expenses are incurred.

### MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

### NOTE 3 - ACCOUNTS RECEIVABLE

| | 2003 | **2004** |
|---|---:|---:|
| Trade accounts | 64,803 | **19,291** |
| Province of Manitoba (Schedule 3) | 3,687 | **2,309** |
| Other | 3,239 | **3,256** |
| | 71,729 | **24,856** |

### NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

| | 2003 | 2004 | | |
|---|---:|---:|---:|---:|
| | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| Building | 103,728 | 129,338 | 32,076 | **97,262** |
| Equipment - self-propelled | 31,126 | 88,613 | 62,686 | **25,927** |
| - pull-type | 61,046 | 95,200 | 42,785 | **52,415** |
| - office | 28,519 | 96,144 | 36,593 | **59,551** |
| | 224,419 | 409,295 | 174,140 | **235,155** |

## NOTE 5 - LONG-TERM DEBT

| | 2003 | 2004 |
|---|---|---|
| Note payable in quarterly instalments of $2,007 including interest at 6.0% (6.0% in 2003), secured by a truck having a net book value of $24,086 ($29,247 in 2003), due June 30, 2007. | 28,721 | **23,931** |
| Debenture payable in annual instalments of $11,987 including interest at 7.625% (7.625% in 2003), secured by land and building having a net book value of $93,184 ($99,396 in 2003), due December 1, 2014. | 92,122 | **87,159** |
| | 120,843 | **111,090** |
| Less: Current portion | 9,321 | **12,057** |
| | 111,522 | **99,033** |

Principal repayments are estimated as follows:

| | |
|---|---|
| 2005 | 12,057 |
| 2006 | 12,876 |
| 2007 | 13,752 |
| 2008 | 9,617 |
| 2009 | 7,167 |

## NOTE 6 - UNRESTRICTED NET ASSETS

The unrestricted net assets are the total assets and liabilities of the Revenue Fund. These net assets include working capital, equipment and respective long-term debt.

| | 2003 | 2004 |
|---|---|---|
| Operating deficit | (56,318) | **(55,824)** |
| Equity in property, plant and equipment | 118,428 | **138,056** |
| | 62,110 | **82,232** |

## NOTE 7 - INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are derived from the donation of equipment to the conservation district from a previous organization.

| | 2003 | 2004 |
|---|---|---|
| Board equity | 32,720 | **32,720** |

# WEST SOURIS RIVER CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS
## MARCH 31, 2004

---

### NOTE 8 - NET ASSETS RESTRICTED FOR BURSARY PURPOSES

| | 2003 | **2004** |
|---|---|---|
| Balance - Beginning of year | 23,544 | **23,598** |
| Add: Interest | 1,054 | **1,006** |
| | 24,598 | **24,604** |
| Less: Scholarships paid | (1,000) | **(1,500)** |
| Balance - End of year | 23,598 | **23,104** |

The principal portion of the bursary is restricted, only interest earned on the principal amount may be paid out as bursaries.

### NOTE 9 - GRANTS

| | 2003 | **2004** |
|---|---|---|
| Agricultural Sustainability Program | 3,245 | **9,625** |
| Ducks Unlimited | 14,710 | **6,750** |
| Fisheries Enhancement Grant | 14,370 | **6,485** |
| Manitoba Hydro | 2,000 | **-** |
| Province of Manitoba – Rural Development | 202,422 | **198,622** |
| Province of Manitoba – Water Services Board | 552 | **901** |
| Rural Water Development Program | 26,597 | **7,601** |
| Sustainable Communities Initiatives Fund | - | **46,311** |
| | 263,896 | **276,295** |

### NOTE 10 - MUNICIPAL LEVIES

| | 2003 | **2004** |
|---|---|---|
| R.M. of Albert | 10,023 | **10,211** |
| R.M. of Cameron | 15,514 | **15,812** |
| R.M. of Edward | 10,796 | **11,001** |
| R.M. of Pipestone | 16,232 | **16,549** |
| R.M. of Sifton | 10,613 | **10,814** |
| R.M. of Wallace | 3,846 | **2,613** |
| | 67,024 | **67,000** |

### NOTE 11 - FUNDS HELD IN TRUST

Funds held in trust and administered by the West Souris River Conservation District are as follows:

| | 2003 | **2004** |
|---|---|---|
| Grazing Project | 801 | **-** |

## NOTE 12 - COMMITMENTS

The Conservation District has entered into various lease agreements with estimated minimum annual payments as follows:

| | |
|---|---|
| 2005 | 2,942 |
| 2006 | 2,711 |
| 2007 | 2,711 |
| 2008 | 2,292 |
| 2009 | 1,146 |

## NOTE 13 - FINANCIAL INSTRUMENT

The Conservation District, as part of its operations, carries a number of financial instruments. It is management's opinion that the conservation district is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amount of term deposits, accounts receivable, accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

The fair value of the organization's fixed rate long-term debt is also approximated by its carrying value, as there have been no significant changes in lending rates or other conditions.

## NOTE 14 - STATEMENT OF CASH FLOW

The statement of cash flow has not been provided as it would not provide additional meaningful information.

## NOTE 15 – INCOME TAXES

The organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the West Souris River Conservation District must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

## NOTE 16 – COMPARATIVE FIGURES

Certain of the current year figures are not comparable with the 2003 comparative figures as the District has adopted the Province of Manitoba's guidelines to classify salaries and costs related to the projects as the District deems appropriate.

# WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 1

## SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS
## YEAR ENDED MARCH 31, 2004

| | 2004 | | | | | | | | 2003 |
|---|---|---|---|---|---|---|---|---|---|
| | Plum Creek | Stoney Creek | Jackson Creek | Gainsborough/ S. Antler | N. Pipestone/ Sifton | Central Souris River | Elgin Creek | Total | |
| Soil projects | 6,616 | 6,152 | 6,123 | 6,123 | 6,123 | 7,785 | 7,661 | 46,583 | 86,085 |
| Urban Tree projects | - | - | - | - | - | - | - | - | 296 |
| Water projects | 55,236 | 17,282 | 13,175 | 23,414 | 17,941 | 19,967 | 12,814 | 159,829 | 117,892 |
| Wildlife projects | 4,758 | 6,172 | 5,259 | 4,259 | 4,352 | 861 | 611 | 26,272 | 52,194 |
| Grazing projects | 1,379 | 2,879 | 1,379 | 1,379 | 879 | 879 | 879 | 9,653 | 1,500 |
| Education projects | 2,758 | - | - | - | - | - | - | 2,758 | - |
| | 70,747 | 32,485 | 25,936 | 35,175 | 29,295 | 29,492 | 21,965 | 245,095 | 257,967 |

# WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 2

## SCHEDULE OF COST SHARING
## MARCH 31, 2004

---

| | Total Expenditures | External | Provincial | Local |
|---|---|---|---|---|
| PROGRAM MANAGEMENT | | | | |
| General | 62,907 | 10,156 | 16,109 | 36,642 |
| WATER PROGRAMS | 159,828 | 39,923 | 89,929 | 29,976 |
| WILDLIFE | 26,272 | 4,936 | 16,002 | 5,334 |
| SOILS | 56,234 | 6,195 | 37,529 | 12,510 |
| PUBLIC EDUCATION | 68,675 | 35,719 | 23,667 | 9,289 |
| TOTAL | 373,916 | 96,929 | 183,236 | 93,751 |
| ASSETS | | | | |
| Office equipment/furnishings | 40,647 | 34,710 | 4,453 | 1,484 |
| Project support equipment | 2,591 | - | 1,943 | 648 |
| Office building | 11,987 | - | 8,990 | 2,997 |
| | 429,141 | 131,639 | 198,622 | 98,880 |

# WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 3

## SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
MARCH 31, 2004

---

| | |
|---|---|
| PROVINCIAL GRANT, 2003 - 2004 | 200,000 |
| LESS, 2002 - 2003 Provincial Grant Receivable | 3,687 |
| | 196,313 |
| LESS, 2003 - 2004 Allocated Grant (Schedule 2) | 198,622 |
| PROVINCIAL GRANT RECEIVABLE, 2003 - 2004 | 2,309 |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

## FINANCIAL STATEMENTS

MARCH 31, 2004

The Members of the Board
Whitemud Watershed Conservation District

# AUDITORS' REPORT

We have audited the balance sheet of Whitemud Watershed Conservation District as at March 31, 2004 and the statements of operations and surplus for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

MeyersNorrisPenny LLP
Chartered Accountants

Brandon, Manitoba
May 6, 2004

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 1

## BALANCE SHEET
## MARCH 31, 2004

| | 2003 | 2004 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash | 550,211 | 623,332 |
| Accounts receivable | 641,208 | 806,502 |
| Inventory | 54,424 | 49,554 |
| Prepaid expenses | 4,144 | 15,100 |
| | 1,249,987 | 1,494,488 |
| CAPITAL ASSETS (Note 3) | 152,775 | 157,560 |
| | 1,402,762 | 1,652,048 |
| **LIABILITIES AND SURPLUS** | | |
| CURRENT | | |
| Accounts payable | 22,443 | 65,462 |
| Unearned outside funding | 37,487 | 12,521 |
| Unearned municipal levies | 50 | 32,372 |
| | 59,980 | 110,355 |
| WATERSHED PROGRAMS SURPLUS | | |
| Sub-district program | 104,200 | 103,219 |
| General board program | 24,311 | 25,494 |
| Equipment program | 177,599 | 168,711 |
| Inventory program | 20,917 | 18,075 |
| PR/PTH crossing reserve | 600,603 | 768,442 |
| CMRM Ltd. in trust | 31,700 | 32,331 |
| Emergency reserve | 30,000 | 30,000 |
| Sick leave reserve | 23,117 | 21,528 |
| Infrastructure program | 328,990 | 372,548 |
| U-Count reserve | 1,345 | 1,345 |
| | 1,342,782 | 1,541,693 |
| | 1,402,762 | 1,652,048 |

ON BEHALF OF THE BOARD:

.................................................. DIRECTOR

Danny Post.................................. DIRECTOR

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 2

## STATEMENT OF OPERATIONS AND SURPLUS
## SUB-DISTRICT PROGRAM
## YEAR ENDED MARCH 31, 2004

| | Willowbend Creek #35 | Westbourne Drain #36 | Squirrel Creek #37 | Pine Creek #38 |
|---|---|---|---|---|
| REVENUE | | | | |
| Municipal levies | 20,727 | 22,156 | 15,351 | 18,403 |
| Province of Manitoba | 56,584 | 37,180 | 34,201 | 31,282 |
| Surveys in kind | - | 1,251 | 776 | - |
| | 77,311 | 60,587 | 50,328 | 49,685 |
| EXPENDITURES | | | | |
| Channel maintenance | | | | |
| Silt removal | 12,358 | 3,917 | 5,153 | 5,634 |
| Vegetation control | 40,664 | 32,546 | 15,049 | 17,586 |
| Miscellaneous | 640 | - | - | 2,151 |
| Crossings | | | | |
| Repairs | 3,118 | 3,011 | 2,506 | 6,718 |
| Replacements | 9,278 | 3,859 | 17,414 | 1,955 |
| Water storage | | | | |
| Maintenance | 780 | - | - | 3,627 |
| Goods and services tax | 1,749 | 1,097 | 908 | 608 |
| Superintendent's salary and expenses | 6,858 | 5,143 | 4,572 | 3,429 |
| Surveys | - | 1,668 | 1,035 | - |
| Infrastructure reserve | - | 8,000 | 3,750 | 6,667 |
| | 75,445 | 59,241 | 50,387 | 48,375 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 1,866 | 1,346 | (59) | 1,310 |
| SURPLUS, BEGINNING OF YEAR | 3,347 | 6,377 | 19,962 | 17,959 |
| SURPLUS, END OF YEAR | 5,213 | 7,723 | 19,903 | 19,269 |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 3

## STATEMENT OF OPERATIONS AND SURPLUS
## SUB-DISTRICT PROGRAM (CONTINUED)
## YEAR ENDED MARCH 31, 2004

| | Central Whitemud #39 | Upper Whitemud #40 | Big Grass Marsh #42 | Big Grass River #43 |
|---|---|---|---|---|
| REVENUE | | | | |
| Municipal levies | 25,501 | 11,938 | 27,287 | 52,725 |
| Province of Manitoba | 65,752 | 20,438 | 94,549 | 112,664 |
| Grants | 591 | 621 | - | - |
| Surveys in kind | 345 | 518 | 2,372 | 259 |
| | 92,189 | 33,515 | 124,208 | 165,648 |
| EXPENDITURES | | | | |
| Channel maintenance | | | | |
| Grassed waterways | 4,816 | 6,772 | - | - |
| Silt removal | 3,388 | - | 48,731 | 28,891 |
| Vegetation control | 30,291 | 12,638 | 27,533 | 35,464 |
| Miscellaneous | 476 | 72 | 777 | 12,969 |
| Crossings | | | | |
| Repairs | 10,419 | 766 | 12,052 | 17,783 |
| Replacements | 26,959 | - | 23,637 | 39,793 |
| Water storage | | | | |
| Maintenance | 1,129 | 752 | - | 2,196 |
| Goods and services tax | 1,623 | 536 | 1,903 | 1,691 |
| Superintendent's salary and expenses | 8,572 | 5,715 | 11,430 | 11,430 |
| Surveys | 460 | 690 | 3,163 | 345 |
| Infrastructure reserve | 2,825 | 2,825 | 5,825 | 13,667 |
| | 90,958 | 30,766 | 135,051 | 164,229 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 1,231 | 2,749 | (10,843) | 1,419 |
| SURPLUS, BEGINNING OF YEAR | 4,245 | 5,397 | 28,337 | 18,576 |
| SURPLUS, END OF YEAR | 5,476 | 8,146 | 17,494 | 19,995 |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 4

## STATEMENT OF OPERATIONS AND SURPLUS
## SUB-DISTRICT PROGRAM (CONTINUED)
## YEAR ENDED MARCH 31, 2004

| | 2003 | 2004 |
|---|---:|---:|
| REVENUE | | |
| Municipal levies | 257,631 | **194,088** |
| Province of Manitoba | 429,322 | **452,650** |
| Grants | 3,049 | **1,212** |
| Surveys in kind | - | **5,521** |
| Flood assistance | 41,125 | **-** |
| | 731,127 | **653,471** |
| EXPENDITURES | | |
| Channel maintenance | | |
| Grassed waterways | 21,612 | **11,588** |
| Silt removal | 117,695 | **108,072** |
| Vegetation control | 199,480 | **211,771** |
| Miscellaneous | 20,290 | **17,085** |
| Crossings | | |
| Repairs | 56,168 | **56,373** |
| Replacements | 85,674 | **122,895** |
| Water storage | | |
| Maintenance | 20,172 | **8,484** |
| Water storage projects | 3,980 | **-** |
| Goods and services tax | 12,749 | **10,115** |
| Flood repairs | 41,138 | **-** |
| Superintendent's salary and expenses | 54,598 | **57,149** |
| Surveys | - | **7,361** |
| Infrastructure reserve | 43,559 | **43,559** |
| | 677,115 | **654,452** |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 54,012 | **(981)** |
| SURPLUS, BEGINNING OF YEAR | 50,188 | **104,200** |
| SURPLUS, END OF YEAR | 104,200 | **103,219** |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 5

## STATEMENT OF OPERATIONS AND SURPLUS
## GENERAL BOARD PROGRAM
## YEAR ENDED MARCH 31, 2004

| | 2003 | 2004 |
|---|---|---|
| REVENUE | | |
| Province of Manitoba | 253,566 | **249,759** |
| Municipal levy | 40,000 | **40,000** |
| Interest earned | 14,538 | **10,940** |
| Surveys in kind | - | **1,840** |
| Co-op equity | 269 | **344** |
| Individual contributions | 2,490 | **3,788** |
| Special project funding | 31,941 | **80,897** |
| Federal/provincial grants | 44,309 | **-** |
| Forage program - landowner share | 35,495 | **34,138** |
| Transfer from equipment program | 739 | **16,384** |
| Transfer from Rosedale Farm program | 17,198 | **11,420** |
| | 440,545 | **449,510** |
| EXPENDITURES | | |
| Administration | | |
| Manager's salary | 44,535 | **52,296** |
| Manager's expenses | 7,362 | **13,581** |
| Secretary - treasurer and secretary salaries | 35,856 | **41,614** |
| Professional fees | 2,085 | **2,100** |
| Rent | 20,072 | **20,072** |
| Office supplies | 16,469 | **14,458** |
| Insurance | 1,647 | **2,077** |
| Amortization | 5,966 | **5,345** |
| Goods and services tax | 3,098 | **2,322** |
| | 137,090 | **153,865** |
| Specific programs | | |
| Conservation corridors | 404 | **-** |
| Forage crops | 47,327 | **45,517** |
| Riparian | 6,800 | **20,857** |
| Shelterbelts | 22,786 | **14,122** |
| Shelterbelt weed control | 11,421 | **13,615** |
| Soils demonstration and pipeline plow | - | **1,981** |
| Summer students | 12,208 | **7,231** |
| Wildlands | 8,740 | **21,761** |
| Public education | 32,930 | **30,477** |
| Soils tech salary and expenses | 43,224 | **14,652** |
| Special project funding | 67,155 | **64,790** |
| Board members remuneration and expenses | 44,351 | **46,152** |
| Small tools | 1,278 | **1,985** |
| Drainage pilot project | 8,238 | **-** |
| Water retention study | - | **11,322** |
| | 306,862 | **294,462** |
| | 443,952 | **448,327** |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | (3,407) | **1,183** |
| SURPLUS, BEGINNING OF YEAR | 27,718 | **24,311** |
| SURPLUS, END OF YEAR | 24,311 | **25,494** |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 6

## STATEMENT OF OPERATIONS AND SURPLUS
## EQUIPMENT PROGRAM
## YEAR ENDED MARCH 31, 2004

| | 2003 | 2004 |
|---|---|---|
| REVENUE | | |
| Rentals | 69,971 | **75,949** |
| Gain on disposal of equipment | 6,000 | **2,118** |
| | 75,971 | **78,067** |
| EXPENDITURES | | |
| Fuel and oil | 15,490 | **17,550** |
| Repairs and maintenance | 12,631 | **14,190** |
| Insurance and licences | 4,752 | **5,861** |
| Amortization | 25,353 | **28,313** |
| Salaries | 2,804 | **3,777** |
| Goods and services tax | 772 | **880** |
| Transfer to general board program | 739 | **16,384** |
| | 62,541 | **86,955** |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 13,430 | **(8,888)** |
| SURPLUS, BEGINNING OF YEAR | 164,169 | **177,599** |
| SURPLUS, END OF YEAR | 177,599 | **168,711** |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 7

## STATEMENT OF OPERATIONS AND SURPLUS
## INVENTORY PROGRAM
## YEAR ENDED MARCH 31, 2004

| | 2003 | 2004 |
|---|---|---|
| REVENUE | | |
| Sales | 17,982 | 21,676 |
| COST OF SALES | | |
| Inventory, beginning of year | 50,574 | 54,424 |
| Purchases | 18,863 | 13,176 |
| | 69,437 | 67,600 |
| Inventory, end of year | 54,424 | 49,554 |
| | 15,013 | 18,046 |
| GROSS PROFIT | 2,969 | 3,630 |
| EXPENDITURES | | |
| Amortization | 161 | 216 |
| Insurance | 342 | 412 |
| Goods and services tax | 22 | 44 |
| Salaries | 3,639 | 3,684 |
| Yard maintenance | 985 | 2,116 |
| | 5,149 | 6,472 |
| EXCESS OF EXPENDITURES OVER REVENUE | 2,180 | 2,842 |
| SURPLUS, BEGINNING OF YEAR | 23,097 | 20,917 |
| SURPLUS, END OF YEAR | 20,917 | 18,075 |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 8

## STATEMENT OF OPERATIONS AND SURPLUS
## ROSEDALE FARM PROGRAM
## YEAR ENDED MARCH 31, 2004

| | 2003 | **2004** |
|---|---|---|
| REVENUE | | |
| Forage sales | 30,264 | **23,821** |
| Crop share | 826 | **-** |
| Patronage | 3 | **203** |
| | 31,093 | **24,024** |
| EXPENDITURES | | |
| Fertilizer and rotovating | 7,144 | **5,626** |
| Miscellaneous | - | **117** |
| Harvesting | 6,751 | **6,861** |
| Transfer to general board program | 17,198 | **11,420** |
| | 31,093 | **24,024** |
| SURPLUS, END OF YEAR | - | **-** |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 9

## STATEMENT OF OPERATIONS AND SURPLUS
## PR/PTH CROSSING PROGRAM
## YEAR ENDED MARCH 31, 2004

| | 2003 | **2004** |
|---|---|---|
| REVENUE | | |
| Intergovernmental Affairs grant | - | **180,000** |
| Interest earned | 15,766 | **15,544** |
| | 15,766 | **195,544** |
| EXPENDITURES | | |
| Sub-district program #42 | 25,682 | **19,031** |
| Sub-district program #43 | 16,026 | **8,674** |
| | 41,708 | **27,705** |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | (25,942) | **167,839** |
| SURPLUS, BEGINNING OF YEAR | 626,545 | **600,603** |
| SURPLUS, END OF YEAR | 600,603 | **768,442** |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT 10

## STATEMENT OF OPERATIONS AND SURPLUS
## CMRM LTD. IN TRUST
## YEAR ENDED MARCH 31, 2004

| | 2003 | **2004** |
|---|---|---|
| REVENUE | | |
| Special project funding | 813 | **631** |
| SURPLUS, BEGINNING OF YEAR | 30,887 | **31,700** |
| SURPLUS, END OF YEAR | 31,700 | **32,331** |

# WHITEMUD WATERSHED CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS
## YEAR ENDED MARCH 31, 2004

---

### 1. OPERATIONS

Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on March 22, 1972. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

### 2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

#### INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

#### CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

| | Method | Rate |
|---|---|---|
| Building | straight line | 5% |
| Fence | straight line | 5% |
| Equipment | straight line | 15% |

#### MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Amortization is based on the estimated useful lives of capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

# WHITEMUD WATERSHED CONSERVATION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS
## YEAR ENDED MARCH 31, 2004

---

### 3. CAPITAL ASSETS

| | 2003 | 2004 | | |
|---|---|---|---|---|
| | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| Land | 1,835 | 1,835 | - | 1,835 |
| Building | 7,074 | 34,283 | 21,434 | 12,849 |
| Fence | - | 5,339 | 5,339 | - |
| Equipment | 143,866 | 417,373 | 274,497 | 142,876 |
| | 152,775 | 458,830 | 301,270 | 157,560 |

### 4. LEASE COMMITMENT

The District occupies leased premises subject to a minimum annual rental of $20,072 until 2007.

### 5. SICK LEAVE RESERVE

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one-quarter days per month employed. At March 31, 2004, the aggregate amount of possible claims was approximately $87,600.

### 6. FINANCIAL INSTRUMENTS

FAIR VALUE DISCLOSURE

The carrying value of current financial assets and liabilities approximates their fair values, due to the short-term nature of these instruments.

### 7. STATEMENT OF CASH FLOWS

The statement of cash flows has not been provided since it would not provide any additional information.

# WHITEMUD WATERSHED CONSERVATION DISTRICT
## SCHEDULE OF COST-SHARING
## FOR THE YEAR ENDED MARCH 31, 2004

| | Total Expenditures | Provincial | District | | External |
|---|---|---|---|---|---|
| | | | Levies | Other | |
| **ADMINISTRATION** | | | | | |
| Program Support/Planning | 50,842 | 38,131 | 12,711 | - | - |
| Office Operation | 46,374 | 32,764 | 13,610 | - | - |
| | 97,216 | 70,895 | 26,321 | - | - |
| **ASSETS** | | | | | |
| Infrastructure Reserve Account (75/25) | - | - | - | - | - |
| Infrastructure Reserve Account (0/100) | 43,558 | - | 43,558 | - | - |
| Office Equipment | - | - | - | - | - |
| | 43,558 | - | 43,558 | - | - |
| **PUBLIC EDUCATION** | | | | | |
| Public Education | 94,757 | 67,318 | 2,947 | 19,492 | 5,000 |
| | 94,757 | 67,318 | 2,947 | 19,492 | 5,000 |
| **SOILS** | | | | | |
| Forage Assistance | 45,517 | 11,379 | - | 34,138 | - |
| Shelterbelt/Gully/PipelinePlow/Soils Demo | 35,542 | 25,035 | - | 8,345 | 2,162 |
| Riparian | 20,857 | 5,250 | - | 1,750 | 13,857 |
| | 101,916 | 41,664 | - | 44,233 | 16,019 |
| **WILDLIFE/FISHERIES** | | | | | |
| Wildlife Preservation/Treeplanting/Demo | 23,959 | 17,969 | - | 5,990 | - |
| Conservation Corridors | - | - | - | - | - |
| Fisheries Enhancement Initiative | 57,632 | - | - | - | 57,632 |
| | 81,591 | 17,969 | - | 5,990 | 57,632 |
| **WATER** | | | | | |
| Maintenance | 427,458 | 319,414 | 106,471 | - | 1,573 |
| New Projects/Reconstruction | 752 | 564 | 188 | - | - |
| Surface Water Irrigation Initiative | 11,322 | 7,452 | - | 2,484 | 1,386 |
| Drainage Management Project | 16,351 | 12,263 | - | 4,088 | - |
| Surveys | 7,360 | - | 1,840 | - | 5,520 |
| | 463,243 | 339,693 | 108,499 | 6,572 | 8,479 |
| **CROSSINGS** | | | | | |
| Repairs | 75,246 | 56,098 | 18,699 | - | 449 |
| Replacements | 135,134 | 101,182 | 33,727 | - | 225 |
| PR/PTH Replacements | 27,704 | - | - | - | 27,704 |
| | 238,084 | 157,280 | 52,426 | - | 28,378 |
| **OTHER** | | | | | |
| Big Grass Marsh Management Plan | - | - | - | - | - |
| GST / Tax Adj & Int | 10,119 | 7,589 | 2,530 | - | - |
| CMRM Ltd. | - | - | - | - | - |
| Flood Expenses | - | - | - | - | - |
| | 10,119 | 7,589 | 2,530 | - | - |
| **TOTAL** | **1,130,484** | **702,408** | **236,281** | **76,287** | **115,508** |
| | | **62%** | **21%** | **7%** | **10%** |

## SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE

| | | |
|---|---|---|
| **LESS, 2002-2003 Provincial Grant Receivable** | | **13,125** |
| **PROVINCIAL GRANT, 2003-2004** | | **700,000** |
| | | **686,875** |
| **LESS, 2003-2004 Allocated Grant** | | **702,408** |
| **PROVINCIAL GRANT REMAINING/OVERSPENT** | **$** | **(15,533)** |

**2003 MUNICIPAL LEVY - $234,087**

MNP